Inmarsat Global Limited

(Registered Number: 3675885)

Annual Report and Financial Statements For the year ended 31 December 2021

Review of business

Inmarsat Global Limited (the 'Company') made a profit for the year of $245.2m (2020: $218.4m) from the supply of global mobile satellite communications services. The Company's revenue has increased to $1,191.7m (2020: $1,137.3m) following growth in all the Company's business units. The Company's net assets were $4,126.7m (2020: $3,882.3m). The increase in net assets in the year has been driven by the profits generated in the period. Current trade and other receivables increased to $3,246.3m (2020: $2,650.5m) due to an increase in amounts and loans due from group undertakings. Non-current other receivable represents loan due from undertaking which has increase from $2,317.9m to $3,200.7m. Trade and other payables were $3,166.3m (2020: $2,507.2m) due to an increase in accruals and deferred income and amounts due to group undertakings. Profit for the financial year of $245.2m (2020: $218.4m) will be transferred to reserves.

The Directors are of the opinion that the current level of activity and the year-end financial position are satisfactory and will remain so in the foreseeable future.

The ultimate controlling party of the Company is Connect Topco Limited which is an entity based in Guernsey. The results of the Company are consolidated into Connect Topco Limited (the 'Group').

Our Business Model

Our purpose is to enable the connected world by placing our customers at the centre of everything we do. Our competitive advantage comes from our networks, our innovative technology, the expertise of our people and the strength and breadth of our partnership ecosystem.

Market leading networks

- **Elera (L-band):** Our resilient L-band networks, currently through our Inmarsat-3 and Inmarsat-4 satellite constellations, will continue to support the evolving mobile communications requirements in our key customer segments. It is recognised as the world's most reliable global satellite communications infrastructure delivering vital connectivity services to millions worldwide.
- **Dual payload:** Our Inmarsat-6 satellites, the first (I-6 F1) of which was launched in December 2021, comprise a dual payload (L-band and Ka-band). I-6 F1 is due to enter commercial service in 2022. This will support the reorientation of our L-band capabilities towards new growth opportunities, as well as providing additional capacity to our existing GX network.
- **Global Xpress (GX) (Ka-band):** GX, is the world's first globally available bandwidth satellite network with five Inmarsat-5 satellites currently in orbit. It is the world's first global, mobile, high bandwidth network, designed to support our customers' high bandwidth connectivity requirements. A further six GX payloads will launch into GEO orbit by 2024.
- **S-band:** The integrated S-band satellite and air-to-ground network, the EAN, is a compelling and unique proposition for commercial aviation customers in Europe.
- **ORCHESTRA:** ORCHESTRA is the development of a unified network, utilising the existing and evolving ELERA and GX layers, and seamlessly intergrating future terrestrial mesh and LEO layers. ORCHESTRA is a true network of networks.

Supported by

- **Our technology:** We continue to invest in innovation to deliver market-winning solutions to our customers and differentiate our propositions.
- **Best-in-class partner ecosystem:** Our relationships with our partners, from suppliers to distributors, help us to strengthen our service offering.
- **Highly skilled workforce:** Our people have the skills, competencies and experience to deliver our business objectives and create value. Our culture and values are focused on innocation and performance excellence.
- **Our financial resources:** We use our balance sheet to support the organic and inorganic investment needed to deliver our strategic imperatives.
- **Our market-leading distribution partnerships:** Our products, services and solutions enable our customers to operate safely, securely and efficiently and to deliver innovative communications services to their users across our customer-focused business segments.

Delivering value for our stakeholders

- **Shareholders and Lenders:** we aim to drive profitable growth to help deliver value for our shareholders and lenders.
- **Customers and partners:** We focus on key drivers of value for our partners and customers such as security, reliability and seamless delivery with global coverage and mobility.
- **Employees:** We have a strong culture, underpinned by our values and our commitment to diversify, and we are focused on our employees' career development, making internal promotions where possible.
- **Communities:** We are proud of our public service ethos and the part we play in providing safety services, particularly to mariners and the aviation industry and our long-term support of the charity Telecoms Sans Frontieres.

Inmarsat Global Limited
Strategic Report
For the year ended 31 December 2021

Our Strategy

A leading satellite operator focused on global mobility.

Inmarsat is a leading satellite operator focused on global mobility. We are the only operator fully focused on broadband and narrowband mobility and government services. We have unique global networks solely designed and optimised for mobile satcom services rather than fixed or consumer applications.

Our strategic framework is clear. Centred around our market and customer focus, we have defined four main strategic pillars. Our strategy guides our decisions and enables us to generate sustainable value and create growth for the benefit of all our stakeholders.

<u>Strategic priorities:</u>

1. <u>Maintain and grow the core</u>

   We are focused on our core markets and have built up leading positions. The revenue pools in our core markets are material at a projected revenue Total Addressable Market of c. $9bn and are growing at high single digit numbers, due to an increased demand for connectivity and digital applications. We enable our customers to deliver productivity gains and to serve new ecosystems including IoT that requires reliable connectivity services. Growing and maintaining our position in our core markets offers further strong growth opportunities.

2. <u>Extend into near adjacent markets</u>

   Our market positions allow us to also serve adjacent markets. This helps us to leverage our deep sector expertise and to bring value added propositions to new customer segments in mobility. The adjacent markets create new opportunities for us to deliver further profitable growth.

3. <u>Drive innovation and differentiation</u>

   Inmarsat's unique satellite operations with narrowband (L-band) and broadband (Ka-band) services with global coverage differentiates Inmarsat from our competitors. We have a proven track record of innovation underpinned by our world leading technology capabilities. Our distinctive proposition allows us to bring value to our customers.

4. <u>Sharpen customer and distribution focus</u>

   We work closely in partnership with world-leading customers. We understand our customers' needs, and how we can help them deliver value. We have a balanced model of direct and indirect distribution. Our experienced distribution channel and partnerships provide extensive market access, supporting our global service proposition.

5. <u>Our strategic pillars are underpinned by three core capabilities:</u>

   The first is technology leadership. Inmarsat has a proud heritage in this area and world-class people who make our innovation possible. We have world-class GEO satellites operating in L-band, S-band and Ka-band. And our recently announced ORCHESTRA network will further advance our position as a leading satellite operator.

   Secondly, we are purpose driven with a clear vision and brand that reflects our ambition. Our purpose and values guide our decisions and how we do business. Our purpose is to enable the connected world by placing the customer at the centre of everything we do.

   Thirdly, our high-performance culture supports us to execute our strategy and deliver our growth targets. Our employees are empowered and accountable to make decisions with a relentless focus on our customers.

Engaging with our stakeholders: s172 statement

Section 172 of the Companies Act 2006 requires the Directors to take into consideration the interests of stakeholders in their decision making. The Directors have regard to the interests of our Company employees and other stakeholders, including our impact in the community, the environment, and our reputation, when making their decisions. The Directors consider what is likely to promote the success of the Company for our members in the long-term and all their decision making. This statement should be read in conjunction with the stakeholder statement on page 18.

Stakeholder	Why we engage	How we engage
Employees	We rely on the know-how, creativity and entrepreneurial spirit of all our people. New and existing talent is attracted and retained by organisations that share insight and provide development opportunities within an inclusive culture. We recognise we need the best teams to be engaged and to collaborate if we are to achieve our purpose together. We recognise we want to have a culture that fosters strong values and an environment of support for them as individuals and where we encourage our employees to bring their 'whole self to work'	The Board engages with employees, through our Global Workforce Advisory Panel (GWAP) – a body set up in line with requirements outlined in the updated Financial Reporting Council's UK Corporate Governance Code. The GWAP is made up of 12 employee representatives from across our global footprint, supported by additional 'Voice Champions' in smaller offices. The primary purpose of the group is to promote an effective two-way communications mechanism between the workforce and the management team, by capturing the views of employees on proposals and issues which affect our people, recognising barriers and enablers and helping to address them. The GWAP have been instrumental in developing our new flexible ways of working as we move to a new hybrid working model, and in engaging employees regarding some key changes to the way we work globally. They have also continued to provide invaluable feedback about workforce morale and wellbeing as we navigate the challenge of the pandemic and the gradual return to a more normal environment when and where circumstances permit. The GWAP promotes a culture of collaboration and high performance, and consults on and provides advice, support and feedback during the implementation of programmes and policies. We have formally consulted employee bodies who are regularly engaged on consultative requirements and best practice. In terms of wider employee engagement programmes the Board has delegated responsibility for all other activity through the Chief People Officer, who through the People Strategy, oversees a proactive communications and engagement programme, supporting open and honest dialogue with the global workforce and other formal global staff bodies. Regular Board papers concerning employee engagement were prepared for the Board, and more frequently during the pandemic period. The CEO, through the Chief People Officer continued to make our people a focus in 2021, there was a global programme of engagement and support as we navigated a number of significant business changes: the announcement of a new CEO and resulting changes to operating model and strategic focus, the transition to a hybrid working model and ongoing internal transformation. Later in the year this also included the announcement of the plan to combine with Viasat. Our employee engagement scores have decreased slightly during 2021, owing to the sustained challenges of the pandemic and organisational changes during the year. However, the score still remains robust and close to the score in December 2019, and is still ahead of previous years. We continue to actively consider the outcome of engagement surveys and adjust our actions accordingly. We are currently focused on ensuring alignment to our new business strategy, adjustment to a new hybrid way of working and leveraging our culture to drive our focus on customer centricity and simplification.

Customers	By working collaboratively with our customers we develop innovative solutions to meet customer needs. By sharing market insight with customers we identify further opportunities together to increase revenues. We recognise that our service is mission critical to our customers and the reliability of our service is essential for them.	The Board engages with customers through the Executive Management team and receives regular information about customers in Board reports and other business reports. All significant or material contracts that are classed as Principal Decisions are approved at Board level. We seek customer feedback on a range of issues such as customer service, new products and pricing. This is done through various methods such as surveys and focus groups. We launched the first of our annual market wide customer satisfaction surveys in 2019 to initiate what we expected to be a productive and ongoingdialogue about our customers' experience of working with us. The feedbackthey share allows us to focus on the improvements that are most important to them and also, understand if the improvements we have implemented have been well received. Our customer satisfaction score this rear remained the same as in 2020 whilst our Net Promotor Score dropped slightly. In 2019 and 2020 we saw an improvement in satisfaction scores, however despite efforts made since our last survey in October 2020, the 2021 scores have remained flat. Customers told us that our network coverage, service reliability and portfolio of products are valued and that we could further enhance our self service and billing experiences. We analyse the feedback in detail to help us better understand what our customers value most from our products and services along with which aspects make them happier and more loyal. This year we were fortunate that 50 % more respondents left a comment which helps us to better understand the scores given. This analysis shapes the improvement initiatives we invest in and how we drive differentiation between ourselves and our competitors. Customers feedback is key to help us to drive targeted improvement. Continued regular insights through customer interviews and advisors boards will enable us to further enhance customer experience. Being a customer centric organisation not only delivers a world class customer experience but also supports our growth in the marketplace, ensuring that Inmarsat continues to be world leading.
Partners	We recognise that a collaborative approach to innovation and the use and capabilities of our technology can often accelerate time to market, reduce costs and create differentiation. We recognise that our service is mission critical to our partners and the reliability of our service is essential for them and their customers.	The Board engages with our partners through the Executive Management team and receives regular information about partners in Board reports and other business reports. We engage with all our partners through our virtual and hybrid conferences. We held three virtual conferences last year which were attended by over 1,500 Partners. The conferences provide us with a platform to share key information without Partners and to answer their questions. During 2021 we updated the partner portal to make it easier for partners to access key marketing material.
Shareholders, lenders and our Investors	We have a clear responsibility to engage with shareholders and lenders to our business and our shareholders' views are an important element of our strategy.	We keep our shareholders regularly informed through our Governance frameworks while lenders receive quarterly updates and a presentation on the performance of the organisation from the CFO. There is an opportunity for lenders to ask questions on the financial performance of the business at the end of each presentation. Lender consensus is fed back directly to the Board as part of the routine financial update agenda item.

Suppliers	Supply chain integrity is a critical part of our business as we rely on our suppliers to help meet our customers' needs as well as drive some of our strategic longer term initiatives that deliver competitive advantage.	We engage with our suppliers via our procurement teams as well as through other functions such as legal and compliance. During Covid-19 times, just like most other companies that use technical components in their supply chains, we have experienced component and labour shortages with our suppliers and their supply chains. Our Procurement and Supply Chain teams have worked tirelessly with suppliers to find extra raw materials and components, source alternative components and re-engineer existing terminals, which has largely mitigated risks and protected revenue. The Supplier Relationship Management programme is now established with our top seven strategic suppliers. This enhanced management strategic focus has already seen real value both in holding suppliers to account on delivery as well as helping our technical and strategic advancement to deliver customer value and market share. In addition, we continue our focus on the financial stability of suppliers ensuring compliance to our supplier code of conduct and a re-invigorated focus on sustainability. The Board receives information through Board reports and annually reviewsour strategy and performance in respect of the requirements of the Modern Slavery Act. The Board reviews the payment practices of the Group as part of routine financial updates. For the full year 2021, 83% of suppliers were paid on time (2020: 87%). The 4% decrease may be attributed to issues with new automation technology, which is expected to be fully resolved during 2022.
Local communities	Communities rightly expect local employers to operate safely, effectively and sustainably and to give back to society. Our education activities support local schools, give our people new skills, help us recruit new talent in the future and create a positive societal impact.	We engage with local communities through our local offices and sites. The Board delegates oversight to the Chief People Officer, receives regular information in the Board reports. The Chief People Officer oversees a comprehensive global outreach programme of promoting STEM careers to women and girls and tackling social mobility through partnerships with schools and targeted organisations. As in 2020, Covid-19 has challenged the execution of this programme, however our STEM outreach remains very important to us We continue to partner with the Maiden outreach programme (www.themaidenfactor.org) supporting them to help drive awareness and understanding of STEM subjects with the communities they work with, however this project was suspended in February 2020 due toCovid-19. It has resumed in 2022 and we will provide further details in next year's report In April 2020 all educational engagement activity was suspended due to Covid-19. We continued to liaise with schools but were unable to offer work experience placements or STEM initiatives. Whilst we were not able to have the impact we had planned in 2021, Covid-19 provided us with the opportunity to rethink how we engage with young people and we developed a range of offerings to enable greater geographical reach and a broader range of initiatives that can be delivered virtually as well as in person when appropriate. The impact of this will mean our programmes are more inclusive (more access to young people from across the globe, particularly benefiting those from disadvantaged backgrounds) with stronger links to the STEM national curriculum.

Risk Management

Risk Framework

Effective risk management is fundamental to our ability to meet both our short-term and longer-term strategic objectives.

Risk comes hand-in-hand with business opportunity. Risk is not something that should be driven out of the business but rather something to be identified, intelligently assessed and managed. The aim is not to eliminate all risks, but to foster a culture supportive of effective risk management by encouraging appropriate risk-taking to achieve our objectives. The Group's approach to risk is bought together in an overarching risk management policy. This policy, together with the risk management framework for assessment and mitigation, have been implemented to focus risk management on strategic and business objectives, mitigation of the largest risks, and to comply with and support our compliance with the ISO 27001 standard and accreditation. The policy sets out our risk appetite as well as roles and responsibilities of risk team members.

Principal Risks

Principal risk	Sub Risks	Background and impact	Mitigation	Trend
Mergers & Acquisition Link to Strategy: 1, 2, 3, 4	- Failure of due diligence process in acquisitions leading to discrepancies in revenue generation and expected return - Integration and operation post acquisition is poorly managed	- This risk is subject to the availability of suitable M&A opportunities and considers our failure to acquire targets at a sensible price and/or failure to integrate and operate them successfully post deal completion	- We are focused on professional due diligence during the acquisition process - We ensure we develop, resource and execute comprehensive transaction processes, integration and synergy delivery plan - We include appropriate liability protection in transaction documents. - We use third party specialist advisors when required - We develop integration plans for use on and post the acquisition completion and ensure periodic review of lessons learned - We prioritise workload to meet the requirements and also look at bringing in external experts when required	Increase
Geopolitical Link to Strategy: 1, 2, 3, 4	- Restricted access to key regional markets - Restrictions on licences being approved for regional markets - Impact of global government actions affect how we provide our service	- Failure to identify large downturns in the world economy and/or restrictions on accessing key markets, resulting in a negative impact to the business and the execution of our strategy - Failure to be able to operate across global markets due to political restrictions	- We assess and manage new risks which arise from political decisions including protectionism that potentially could impact our business - We build strong relationships with in-country partners to understand how to work with them to manage business uncertainty and how to develop revenue opportunities - Geopolitical factors are considered alongside other PESTLE factors as part of management reviews - The Proxy arrangements for Inmarsat Government allows the company to manage its business in accordance with U.S. requirements allowing it to compete for U.S. government business - We look at light touch product development opportunities to support a "made local" requirement which supports overall relationship building - We have built into our internal practices the gathering of insights covering the different geographical regions we trade in	Increase

			- We have in-house experts who understand sanctions and their implementation - We continuously review and adapt our strategy in reaction to developing political or economic situations	
Business Optimisation Link to Strategy: 1, 3, 4	- Optimal exit strategy is not achieved - Business planning and continuity is not executed effectively - Short termism is preferred over long term position	- Failure to have a plan to deliver the optimal outcome for all stakeholders - Failure to execute the agreed plan to time and budget	- We prioritise focus areas and align all company activities to support agreed priorities - We have an annual strategic planning process in place which includes development of budget and long range business plans and ensures headroom vs the debt covenants over the 5-year planning period - We maintain an ongoing dialogue with our relationship banks, the credit agencies and the investment community to ensure that internal and external expectations are aligned. This includes holding investor calls to communicate our quarterly results - The organisation continuously reviews and adapts its business focus in reaction to developing political or economic situations - We are putting in place the simplification of operating processes and project delivery in line with industry best practices and a standard operating framework - We critically review our business cases before we proceed and assess our progress against the original business case - We evaluate performance against the budget, financial covenants and banking headroom each month and update the current year forecast monthly	Unchanged
Environmental Social & Governance Link to Strategy: 1, 2, 3, 4	- Disruption to infrastructure / operations as a result of adverse weather events and climate change - Political and regulatory environment - Brand Reputation is damaged by company actions - Our Crisis Management response is not effective	- Failure to run our operations in a sustainable way by assessing the environmental impact of our operations, which may result in damage to our corporate reputation or investor confidence - Failure of having poor governance processes in place which impact business outcomes	- We have 'severe' weather action plans and procedures to manage the impact of our operations - Our Science Based Targets have been approved by the Board and submitted for validation to the Science Based Target Initiative. - The Group has a formal, documented and externally verified approach for reporting on carbon emissions and energy - We have set our Science Based Targets to reduce emissions by 2030 and implement ISO 20400 sustainable procurement diagnostic to target emission reductions in the supply chain - TCFD Gap analysis has been completed and we are working to identify opportunities and mitigations of climate related risks - We have policies and annual training on areas covering anti-bribery and corruption, export control and whistleblowing	Unchanged

			- We regularly seek feedback from customers and our professional advisors on our activities - We have an ongoing review of our business continuity and crisis management plans - We document lessons learned processes through exercises in crisis management or incidents to improve prevention, business continuity and recovery procedures - We have identified lessons learned from the Covid Crisis Management Group and improvements have been put in place - We have an appropriate insurance programme in place to mitigate the financial consequences of events where practicable	
Financing, Liquidity & Investment Link to Strategy: 1, 3, 4	- Capital structure/funding availability or inability to access capital markets - Increased cost of debt - Foreign exchange risk - Bank failure/bank systems failure - Payment error	- Failure to have sufficient funds available to support the growth agenda (opex, capex, M&A) at an appropriate cost and on an acceptable timeline, affecting our ability to meet the company's strategic objectives	- We have a sound control framework and experienced Treasury capability in place and maintain close relationships with the credit rating agencies - We are implementing a software tool (Blackline) to track controls and increase visibility - We have natural long term currency hedges in place to ensure that the majority of revenues, costs, capital expenditure and debt funding are USD denominated - Multiple reviewers verify bank details for standard and non-standard requests - The majority of payments are processed via BACs with no manual intervention - There are robust notification plans in place if we are unable to bill/invoice customers or pay suppliers. Customers remain contractually liable even if billing/ invoicing is delayed - We have a robust revenue assurance process	Unchanged
Major Supplier/Channel Partner Failure Link to Strategy: 1, 2, 3, 4	- A reliance on a limited number of suppliers - A reliance on our distribution channel - A reliance on a limited number of suppliers delivering material services	- Failure of a critical supplier or channel partner to deliver their services which may affect our ability to generate revenues. A failure of one could also impact the availability of technology platforms, equipment supply or support capability	- We maintain contractual options with multiple launch vehicle providers and keep several launch options available to maintain launch vehicle flexibility until late into the spacecraft manufacture process - We are continuously looking to widen the scope and number of manufacturers of terminals - We implemented a Supplier Relationship Management framework to drive best financial and technical performance and to provide early insights of divergence in joint strategic goals - We promote fair play in our distribution channel - We will implement a new channel strategy to drive greater engagement with all partners	Increase

			- We constantly look for powerful additions to our channel partner community in light of changing market dynamics. - We continue to work dynamically with existing partners to grow their revenues	
Market Size Link to Strategy 1, 2, 3, 4	- Changing customer demand - Commoditisation of our products and services - New competitive threats impact our business	- Failure to gain access to a minimum available market in a timely manner in order to fulfil shareholder expectations and to support the growth agenda. - Failure to respond appropriately to market conditions to protect the business against areas such as low / flat growth, changes in consumer behaviour and requirements, M&A activities of others and loss of spectrum slots	- We are focused on Increasing the impact and quality of our business and market intelligence - We proactively react to new competitive threats - We focus on reinforcing our market focus and customer intimacy through our Business Units - We are continuously looking to increase our operational agility, to optimise the mobilisation of our network capacity to leverage cost/bit capabilities - We broaden our market presence beyond pure connectivity to capture new value-added services to include connectivity+ capabilities, managed services and related activities, and digital capabilities and partnerships - We perform ongoing and ad hoc contract review assessments	Unchanged
Competition Link to Strategy: 1, 2, 3, 4	- New competitors enter the market - Existing competitors improve offerings - Competitor pricing may be more compelling to a customer	- Failure of the company to not respond to actions of a competitor which impacts our strategic objectives. These may be new entrants or established players in the satellite communications who introduce disruptive business models or technology	- We differentiate our products to ensure we appeal to our customers' needs - We obtain in-country market access for our distribution channel as far in advance as possible and make licensing requirements as straightforward as possible for our partners - We proactively support satellite operators in forums where appropriate to defend broader satellite interests from use by terrestrial operators - We develop commercial strategies to retain customers effectively, driving product capabilities or revised commercial offers in response to customer insight feedback - We continuously monitor technology, competitor and market developments - ELERA and ORCHESTRA work is underway to showcase our services - We invest in market intelligence to understand longer term pricing dynamics, and plan our response in advance - We have simplified our standard contracts and pricing in order to make it easier to do business with us - We introduced new services with common technologies	Increase

Customer Expectations Not Met Link to Strategy: 1, 2, 3, 4	- Customer data demand exceeds over capacity - Customer requirements cannot be met - We lose customer engagement to competitors	- Failure to meet the expectations of customers, either through lack of competitive products or failure to understand customer requirements, leading to a loss of revenue and failure to capture market opportunities	- We continuously optimise the mobilisation of our network capacity to leverage cost/bit capabilities which has a financial benefit for the business - We broaden our market presence beyond pure connectivity to embed our core value-add to the customer - We manage customer data demands in line with our commercial strategy, deploying and using satellite capacity resource management tools - Our business analysts prioritise capturing customer experience requirements and technical requirements in our offer development phase - Customer surveys are regularly undertaken to understand core issues and provide resolutions - We work hard to reinforce our market focus and customer intimacy - We are establishing customer boards to amplify their voice within our business - We invest in new satellites to meet customer capacity demands. We adapt our product and services portfolio to address technological developments	Unchanged
Technology and Innovation Link to Strategy: 1, 2, 3, 4	- Low Earth Orbit (LEO) satellite operators impact our revenue growth - Disruptive technology impacts our services - Competitive products are appealing to our existing customers	- Failure to deliver value/create value from investment in disruptive technologies needed to meet our customers' needs - Failure to create breakout opportunities in a timely manner - Failure to invest in new technologies will lead to reduced opportunities for growth and potential loss of our existing customer base	- We have developed a broad portfolio of products and services to address customer requirements and opportunities in several markets. This makes us more resilient to competitor developments - We have ELERA (L-band) developments underway including next generation terminal activities - We monitor technology, competitor and market developments and adapt accordingly - We regularly review alternative sources of supply - We regularly improve the efficiency of our spectrum usage through innovation and system enhancement - We maximise spectrum opportunities where possible - Our Business Units provide pipeline assessment to allow future capacity assessments to be performed	Unchanged
Spectrum & Regulatory Link to Strategy: 1, 2, 4	- Market licenses may not be obtained - We may not secure the orbital slots - Regional SAS licenses may not be issued - Spectrum costs may be excessive - 5G deployment may impact our service offerings	- Failure to obtain adequate orbital slots and frequency filings, failure to obtain country by country market access licenses hinders deployment of our services - Deployment of terrestrial networks impact our existing and	- We work closely with in-country partners/regulators to secure licenses and market access to allow our services to be operated in key countries - We engage with and support regulators to defend our licences against 5G demands - We work with regulators globally through ITU forums - We proactively make ITU filings for orbital slots through several national administrations for our short and long term spectrum and orbital slot requirements	Unchanged

		any planned infrastructure	- We work closely with regulators to source network licenses in the market and secure licenses early wherever possible to grandfather spectrum - We regularly improve the efficiency of our spectrum usage through innovation and system enhancements - We take responsibility for updating regulators and governments about the socio-economic contribution of our mobile satellite services	
People & Talent Link to Strategy: 1, 2, 3, 4	- We do not attract talent or retention of employees in critical roles - We do not have robust succession planning in place - Leadership engagement and capability declines - Resource allocation is not optimised	- Failure to put in place in a timely manner the necessary people capabilities to find, acquire, negotiate, integrate and successfully operate new business opportunities including accessing third party capabilities for M&A - Failure to invest in the key skills required to maintain competitive advantage in the current business environment, resulting in insufficient capacity or capability to deliver the core business plans and establish effective organisational structures - Failure to attract candidates and put in place a diverse workforce	- We review succession plans for critical roles and put in place development plans for employees identified as having steep growth potential - Our employee value proposition focuses on career development, training and reward to ensure we have an engaged and motivated workforce - Our 2021 D&I survey set the base to measure progress for future survey results - We implement our People strategy where we identify key employees, skills and skills gaps to manage human resources effectively - We have introduced a compressed working week offering which has been well received - We delivered a comprehensive communication and engagement plan around return to office work and future working patterns during and post Covid - We have taken comprehensive steps to ensure employee health and wellbeing is promoted and to support employees transitioning to remote working - We are committed to a D&I environment which encourages employees to collaborate in an inclusive way	Increased
Legal, Compliance & Governance Link to Strategy: 1, 3	- New laws and regulations impact how we operate - Litigation claims increase - Compliance and governance regulations increase in complexity	- Failure to comply with laws, regulations and governance requirements which would result in fines, loss/damage of reputation and potential litigation claims	- We maintain awareness of new legislation by legal horizon scanning - We introduce new policies and training into the business when relevant - We have strong external advisors and in-house experts in place to advise the business and help mitigate legal and compliance risks - Our legal team provides regular litigation protocol training to the business as well as annual refresh training for all employees - We ensure that legal, compliance and governance teams are involved from the	Decreased

		- Failure to meet compliance requirements and standards could result in fines and penalties and reputational damage	outset of any new projects to ensure risk is managed and mitigated - We have compliance programmes and training in place for anti-bribery and corruption, export controls, sanctions and whistleblowing - We maintain and update our policies and processes regularly	
Major Security or Cyber Event Link to Strategy 1, 3	- Information security is breached - Supply chain vulnerability impacts our business - A strong security culture is not in place	- Failure to secure satellites, networks, information, data, systems, processes and services which could impact business objectives, services to customers, performance and reputation	- We maintain industry standard security measures and meet regulatory requirements through in depth, state-of the art counter measure monitoring and enhanced cyber security operations including a dedicated 24/7 Cyber Security Operations centre - Due to increasing scale, complexity and sophistication of cyber threats we maintain a continuous improvement programme to maintain risk appetite and reduce risk in targeted areas - We undertake an independent maturity assessment against the NIST framework and maintain accreditations including ISO 27001 and Cyber Essentials (Plus) - Our mitigation strategy is informed by feedback from commercial and government organisations - We maintain a level of insurance cover where available to reduce the financial consequences of a cyber event - The ISO27001 standard was met and renewed in 2021 and our certificate has been reconfirmed - We maintain a broad and sophisticated cyber security awareness programme, including mandatory training and employee confirmation of understanding our obligations - We maintain policies, guidelines and standards consistent with a positive security culture and embed security assessments in key elements of project initiation and at each stage of a project's deployment	Increased
Major Operational Failure Link to Strategy: 1, 3	- Major Space or Ground Segment failure - Major business system failure - Major failure in service delivery network or supply chain - Business continuity is not effective	- Failure of one or more critical systems or assets disrupts our ability to operate and results in a failure to meet designed resilience levels and customer commitments or we lose key business systems resulting in a loss of revenues, supplier or reputational impacts	- We have services and related infrastructure (including satellites) which are designed, built and maintained with an acceptable level of redundancy and resilience, and are continuously reviewed in accordance with life cycle management practices - Our space asset operation is in line with manufacturer instructions and industry best practices, with protection against space weather and debris enhanced through participation in industry and international bodies - Our global operating model includes satellite and network operations centres, with established backups, distributed teams, site and infrastructure redundancy at defined levels, and skills and capabilities retained and developed as required	Unchanged

			- Our IT investment strategy is based on commercially available software products wherever possible - Inmarsat operates a broad regional service and global partner network to mitigate localised disruptions and enable alternative operating approaches - Our operation of supply chain management techniques include multi sourcing, variants and alternate suppliers to minimise single source or component exposure	

Key performance indicators

The Directors of the Group manage the Group's operations on a business sector basis. For this reason, the Company's Directors believe that an analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance, or position of the Company's business. The development, performance and position of the Group are discussed in the Group's 2021 Annual Report which does not form part of this report but can be obtained from the address detailed in note 1 to the accounts.

Alison Horrocks
Company Secretary
30 September 2022

Inmarsat Global Limited
Directors' Report
For the year ended 31 December 2021

Reporting in accordance with our Corporate Governance Policy

This index shows where our stakeholders can evaluate how we have applied our Corporate Governance Policy and where key content can be found in this report.

<u>Purpose and Board Leadership</u>
The Board determines the long-term strategy. Our business model and our strategic framework embeds our vision, purpose, values and priorities to ensure stakeholder interests are met.

<u>Board Composition</u>
The Board comprises the CFO and an Executive Director who is also the Company Secretary. Both members of the Board are part of the Executive Management team. The Composition of the Board is determined by our Corporate Governance Policy.

<u>Director Responsibilities</u>
The Board received regular report on business, financial performance, employee and partner engagement as well as key business risks.

<u>Opportunities and Risks</u>
The Board seeks our opportunity while managing risk. The Central Risk Committee and the Executive management team ensure risks are identified and managed appropriately

<u>Stakeholder Relationships and Engagement</u>
Our strategic priorities and values are how we deliver our vision. The table set out in our section 172 statement on page 3-5 sets out some of the engagement that takes place with key stakeholders

The Board considers that the Company has complied fully with its corporate governance policy throughout the year.

Inmarsat Global Limited
Directors' Report
For the year ended 31 December 2021

Directors' Report

The Directors submit their annual report and the audited financial statements for the Company for the year ended 31 December 2021. The Board of Inmarsat Global Limited is pleased to present its Corporate Governance Statement for the period to 31 December 2021. This statement includes a review of how corporate governance acts as the foundation for our corporate activity and is embedded in our business and the decisions we make. The Board is committed to the creation of long-term sustainable value for the benefit of our shareholders and wider stakeholders.

The Company is committed to the highest standards of governance and during the year adopted its own Corporate Governance Policy. Our Corporate Governance Policy is a combination of both the Wates Principles for Large Private Companies and our own existing governance frameworks which provides detailed governance principles reserved for the Board and its subsidiary boards. These principles are strictly reserved to ensure the Directors can demonstrate sound and competent execution of their statutory duties (including oversight of the management of relationships and engagement with stakeholders on their behalf) in accordance with applicable legislation.

The Board has deemed the Corporate Governance Policy appropriate to use instead of the Wates Principles as it reflects the ownership structure and utilises the pre-existing and overarching corporate governance frameworks that were operational during the time Inmarsat was a listed business on the London Stock Exchange. The Board considers these frameworks and delegations to be effective to enable the Board to discharge their statutory and fiduciary duties appropriately. The Corporate Governance Policy created a framework to capture key corporate governance protocols, subsidiary governance protocols and a principal decision process, as set out in the section 172 statement on pages 3 to 5 of the Strategic Report and pages 18 to 19 of this Directors' Report.

<u>How the Board operates</u>

The Company has composed a Board with a balance of skills, backgrounds, experience and knowledge required to compliment the promotion of the long-term success of the Company and to identify the impacts of the Board's decisions on their stakeholders, and where relevant, the likely consequences of those decisions in the long-term. Individual Directors have sufficient capacity to make a valuable contribution that is aligned to the Company's activities (details of the skills and experience are set out on page 16 of this Directors' Report).

The Directors are mindful of corporate governance and seek to demonstrate understanding of their accountability and statutory responsibilities. The Board understands is primary duties under the Companies Act 2006 and broader regulatory responsibilities e.g. General Data Protection Regulations, Anti-Money Laundering, Corporate Criminal Offence. Governance policies are in place to support these primary duties and boarder regulatory requirements.

<u>Role of the Board</u>

The Board is ultimately responsible for organising and directing the affairs of the Company in a manner most likely to promote the success of the Company for the benefit of its investors whilst complying with legal and regulatory frameworks.

Our Board is ultimately accountable for:

- The long-term success of the Company, having regard for to interests of all stakeholders.
- Ensuring the effectiveness and reporting on our system of governance, including retaining oversight of its delegated responsibilities.
- Performance and proper conduct of the business and ensuring a positive culture is supported.

Responsibility for developing and implementing strategy is delegated to the Executive Management team. The Executive management team are listed on page 16 and their biographies can be found on our website at www.inmarsat.com/en/about/ who-we-are/leadership-team-and-board.

The Board has responsibility for managing risk and does not delegate overall responsibility for the approval of the risk management policy to management. Following additional work undertaken in 2020 on risk processes with, and by, the Executive Management team, changes to Board reporting were implemented in 2021.

Role of the Board (Cont.)

In accordance with the Corporate Governance Policy, principal decisions are delegated to the Executive Management team. In making its decisions, the Executive Management team is required to consider the outcome of any stakeholder impact assessment that has been undertaken to support it making any principal decision (details of the principal decisions made by the Board during the reporting period are set out on page 18-20). The Executive Management team reports back to the Board as part of the wider risk management and internal controls of the Group, allowing the Board to demonstrate its oversight of the delegated responsibilities

A formal schedule of matters specifically reserved for decision or consideration by the Board as a whole has been agreed by the Directors and is included in the Corporate Governance Policy. This schedule covers areas such as:

- Major capital projects
- Significant capital structure changes
- Investments
- Acquisitions and divestments

In 2021 we focused on the following key areas:

- Reviewed strategic objectives
- Received reports on technology and innovation
- Received and approved the annual budget, long range business plan
- Reviewed regular reports on compliance matters from the Company Secretary
- Received detailed updates regarding new ways of working and wellbeing initiatives.

Executive Management team

The Chief Executive Officer chairs the Executive Management team which meets on a monthly basis. During 2021 due to Covid-19, these meetings were shorter in time due to different time zones of the management team and therefore additional weekly and fortnightly meetings were set up to ensure the management team remained connected and operating effectively. As part of its remit, this team focuses on the Group's strategy, financial reviews and long range business planning, the competitive landscape, strategic updates from all areas of the business, risk reviews, culture, learning and development and organisational development. The Executive Management team includes:

- Rupert Pearce, CEO until 26 February 2021
- Rajeev Suri, CEO effective 1 March 2021
- Tony Bates, CFO
- Phil Balaam, President, Aviation Business Unit until 22 November 2021
- Jat Brainch, Chief Commercial and Product Officer effective 25 March 2021
- Philippe Carette President Aviation Business Unit effective 22 November 2021 to 28 July 2022
- Mike Carter, President, Enterprise Business Unit
- Natasha Dillon, Chief Commercial and People Officer
- Barry French, Chief Communications and Marketing Officer effective 25 March 2021
- Fredrik Gustavsson, Chief Strategy Officer effective 28 June 2021
- Peter Hadinger, Chief Technology Officer
- Alison Horrocks, Chief Corporate Affairs Officer and Company Secretary
- Todd McDonell, President, Global Government Business Unit
- Susan Miller, CEO Inmarsat Government Inc.
- Ben Palmer OBE, President, Maritime Business Unit effective 5 November 2021
- Jason Smith, Chief Operations Officer
- Ronald Spithout, President, Maritime Business Unit until 5 November 2021
- Niels Steenstrup – President, Aviation Business Unit effective 28 July 2022

Governance and conduct of Board meetings

Our Board meets as often as necessary to effectively conduct its business. During the year the board met 18 times. The attendance at the meetings can be seen in the table below:

	Meeting	Percentage attendance
Rupert Pearce*	6/18	33%
Tony Bates	18/18	100%
Alison Horrocks	18/18	100%

*Rupert Pearce resigned as a director on 26 February 2021.

The Directors noted above are those who served on the Board during 2021.

Key roles and responsibilities

Tony Bates is responsible for:
- The leadership and management of the Company according to the strategic direction set by the Board.
- Leading the global finance function and oversees the relationship with the investment community.
- Ensures effective reporting procedures and controls are in place

Alison Horrocks is a Director and the Company Secretary to the Board and is responsible for:
- The day to day management of the Company.
- The implementation of the business strategy.
- Ensuring that all Directors have full and timely access to all relevant information

The Board of Directors

Tony Bates (Director and CFO)

Background and relevant experience
Tony has been Inmarsat's Chief Financial Officer since June 2014. As well as responsibility for the financial running of the Company, Tony is also responsible for procurement operations and investor relations activities. Tony is a member of the Executive Management Team. Tony previously held the roles of Group CFO of Yell Group Plc (hibu Plc), Group CFO and then COO of Colt Group S.A. and Group Finance Director at EMI plc. Tony holds a First Class Honours degree in Management Sciences from the University of Manchester. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

Alison Horrocks (Director and Company Secretary)

Background and relevant experience
Alison joined Inmarsat in 1999 and is responsible for risk, compliance and corporate governance across the Company. She is a member of the Executive Management Team and Chairman of the Trustee Company for the Inmarsat UK pension plans. Alison manages our operations in India, China and Russia and the legal and market access regulatory teams. She was Group Company Secretary of International Public Relations plc, a worldwide public relations company, for 11 years prior to joining Inmarsat. Alison is a Fellow of the Chartered Secretaries and Administrators.

No Director had during the year or at the end of the year any material interest in any contract of significance to the Company's business.

Principal activities

The principal activity of the Company is the supply of global mobile satellite communications services ('MSS'), providing data and voice connectivity to end-users worldwide.

Results and Dividends

The Company's results for the financial year are shown in the Income Statement on page 26. No final dividend for the year ended 31 December 2021 has been declared or paid.

Future developments

The Company intends to continue operating in the areas of provision of global mobile satellite communications services including data and voice connectivity to end users.

Financial risk management

Details of the financial risk management objectives and policies of the Group are disclosed in Group accounts of Connect Topco Limited.

Research and development

The Company continues to invest in new services and technology necessary to support its activities through research and development programmes.

Events since the balance sheet date

Details of events since the balance sheet date are given in note 29 to the financial statements.

Conflicts of interests

The Company has in place procedures for managing conflicts of interests and is aware of any potential conflict through annual review of other commitments of its Directors.

Branches

The Company has activities through branches in Qatar and Italy.

Engaging with our stakeholders: stakeholder statement

The Directors understand their responsibility to promote the success of the business in accordance with section 172 of the Companies Act 2006 (section 172).

Effective engagement with stakeholders at Board level and throughout the business is essential to enable us to meet our strategic purpose and our business objectives. The Board is aware that actions and decisions taken by the Company can impact our stakeholders and the communities in which we operate.

The Company Secretary provides support and guidance at Board meetings to ensure sufficient consideration is given in Board discussions to the impact of Board decisions on stakeholder groups and these are documented where appropriate. The relevance of each stakeholder group may change depending on the issue under discussion, so the Board seeks to understand the needs and priorities of the relevant stakeholders throughout the decision process.

We have set out our principal stakeholders and how we engage with them on pages 3 to 7 of the Strategic Report.

<u>Principal decisions</u>

We consider our 'principal decisions' as decisions and discussions, which are material or strategic to the Group and those that are significant to any of our stakeholder groups. The following are examples of how the Board considered the interests of its key stakeholders when making decisions:

Debt re-pricing

Inmarsat delivered resilient financial results over 2020 in the fact of Covid-10. In the early part of 2021, interest rates had been falling and there was high demand for good debt investment opportunities. recognising that Inmarsat's debt was trading at a premium and that Inmarsat's term loan could be called at anytime at par at no cost, the Board took the opportunity to seek to reduce the interest rate it was paying on its term loan.

How we engaged

The Board engaged with our shareholders and our debt investors through the Executive Management team to negotiate a re-pricing of the term loan.

Outcome of engagement

The Board considered the re-pricing to deliver material savings over the remaining 6 years of the term loan. The repricing was completed on 25 January 2021.

Science based targets

The Board takes its responsibility for setting the Climate Change and ESG Strategy of the Company seriously and during the year approved Science-based Targets for validation. The Board considered climate risk in the context of investment risk and the correlation between disclosure and capital allocation. The Board agreed a clear and defined pathway to reduce emissions to help prevent the worst impacts of climate change would future proof the business, for the benefit of all stakeholders in the long term.

How we engaged

In reaching this decision the Board engaged with its suppliers through the Vice President of Global Procurement to better understand our Scope 3 emissions.

Outcome of engagement

Going forwards we continue to engage with our suppliers to understand our products and their carbon emissions in more detail. We will implement as part of our RFI/RFP processes a sustainability scorecard.

2021 ESG Report

Our 2021 Environmental, Social and Governance (ESG) Report is available on our inmarsat.com website and contains additional information on our non-financial risk management. Taking account of our responsibilities socially and environmentally is important in the way we operate and interact with all our stakeholders. This way of working creates value for all our stakeholders.

Employees

2021 has once again been a challenging year for our employees as the pandemic and its impact have endured throughout the year. Our people agenda, having adapted in 2020 to the challenges of a more remote working environment, 2021 has focused on embedding these across our business. We have also continued our focus on employee wellbeing with a comprehensive programme of support.

Flexible working

In 2021 we built on previous co-creation work with our employees to shape new working patterns appropriate to a hybrid working model, and we have supported colleagues in implementing these across the business as we started to slowly return to the office in the second half of 2021.

We also made further strides in our flexible working offer with the launch of compressed working cycles broadly across the organisation, following a successful pilot with our Global Government Business Unit. Our approach to flexible working is something highly prized by our employees and an important part of Our People Promise – our employee value proposition – which we also refreshed.

New CEO and strategic focus

This year we welcomed Rajeev Suri as our new CEO and our people agenda has focused on ensuring a seamless transition, engaging our employees with a reinvigorated strategic direction, embedding a strengthened operating model and building our culture to support renewed commercial and customer focus.

Later in 2021, we announced a plan to combine with Viasat to create a new global leader in our industry and we implemented a comprehensive engagement and communications plan to inform our employees about this exciting announcement and underpin retention during the period leading up to the transaction close.

Internal transformation

A strategic reset in 2020 led to internal transformation, work that continued into 2021. A Commercial and Product Management function was mobilised with the ambition to bring focused commercial capabilities built on customer insight to drive our growth ambitions. Other programmes of work included driving greater simplification across our organisation, a programme to drive deeper customer centricity and also to strengthen our strategic planning capabilities.

Diversity and inclusion

Inmarsat embraces diversity and prides itself on creating an inclusive environment where everyone can bring their whole selves to work. In 2021 we conducted our first diversity and inclusion survey, which gave us baseline data for our workforce metrics by attributes. This allows us to drill into our engagement scores and establish any significant differences by ethnic groups as well as by gender, religion, sexual orientation. This complements the great work our employee resource networks – EDEN (ethnic diversity), WIN (women in Inmarsat), PRIDE (LBGTQ+) and Veterans – already do to champion these diverse interests. We have also launched a fifth network for Parents and Carers.

Learning and development

For Senior Leaders we have continued a virtual thought leadership programme, bringing academics and business leaders into the organisation to share insight and strengthen our leadership capabilities. This complements our wide-ranging Learning and Development offering that includes Corporate Induction, our High Performance Culture programme and a comprehensive online learning offering.

Reward

This year we have refreshed our UK Pension and benefits plans, moving away from an age-related pension contributions arrangement, and offering a more flexible pension design, giving all employees more choice about pension contributions. We also introduced a workplace investment vehicle for U.K. employees which operates alongside our pension scheme, giving employees an additional way to save to meet their personal financial goals, along with improved tools and information to make informed choices about their financial future.

Communications

We have continued to evolve our communications and engagement activity, adapting to new hybrid ways of working, launching a new enterprise social networking tool and driving a richer mix of media, to bridge the remote nature of our working life, with more human communications and commentary via user generated video content

Gender pay gap

Inmarsat's Gender Pay Gap report is available on our Inmarsat.com website and also in our 2021 ESG Report.

Environmental performance and strategy

We recognise the impact that our products and services may have on climate change and are working to review how we can reduce our environmental impacts and our carbon footprint. As an example, across the broader satellite industry, satellite launch companies are reviewing how they become more accountable for carbon generation through innovative new satellite launch techniques. We will work together with our industry partners, including our launch providers to see how we can improve techniques for our future launches and reduce the footprint of our products.

Our environmental impacts include the use of natural resources, the consumption of energy and water, the production of a variety of waste, as well as staff and visitor travel. We have provided further details of our objectives for how we manage our environmental activities in our 2021 ESG Report which can be found on our website.

Directors' indemnity

Each of the Directors benefit from an indemnity given by the Company under its Articles of Association. This indemnity is in respect of liabilities incurred by the Director in the execution and discharge of his or her duties.

Going concern

In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors' have considered all the factors likely to affect its future development, performance and its financial position, including the matters disclosed in the Strategic and Directors' Report. The Company is part of the Connect Bidco Limited Group ('Bidco'), ultimately owned by Connect Topco Limited. The going concern review completed at the date of signing the Bidco accounts is set out within the Connect Bidco Limited 2021 annual report. The going concern of the Company is reliant on Bidco's financing facilities.

In order to confirm that the Bidco business should adopt the going concern basis in preparing the consolidated financial statements for 2021, the Board and Management of Bidco have considered a number of possible scenarios and their impact on future revenues, EBITDA and liquidity. These scenarios consider the latest market information for each business unit and the impact of actions that have been and can be taken to improve financial performance. The evaluation uses the most recently approved budget and long-range business plan and considers the maturity profile of the existing debt facilities and the $700 million undrawn revolving credit facility as discussed in note 20 of Connect Bidco's annual report for 2021. Under all scenarios there continues to be sufficient headroom to the Financial Performance Covenant under the debt agreements. As at 31 December 2021, Bidco has $1,094.0m of liquid resources (Cash: $364.0m, short-term deposits: $30.0m, undrawn RCF: $700.0m) and a continued expectation that Bidco will generate positive free cash flow and reduce leverage over the medium to long term.

The impact of Covid-19 is now confined to the aviation business unit where the aviation industry continues to recover and steady improvement has been shown throughout 2021. Inmarsat's robust business model and capital structure, along with strong positions in a diverse range of geographies and markets will help Inmarsat manage future Covid-19 related risks.

During 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately $7.3bn. Refer note 29 for further information on this transaction. The going concern assessment has been performed using the Inmarsat financial performance and position.

At the date of signing of these financial statements the Directors have considered all the factors impacting the Company's and Bidco's business. The Directors have a reasonable expectation that Bidco shall continue to operate as a going concern for the foreseeable future. Consequently, the Directors have a reasonable expectation that the Company will continue in operational existence for a period of at least twelve months from the date of approval of the financial statements and therefore the Company continues to adopt the going concern basis in preparing the 2021 financial statements.

Russia Ukraine

The Group has set up a Ukraine Crisis Management Team to assess and respond to the operational and business risks arising from the invasion of Ukraine, including ensuring compliance with sanctions. Inmarsat is not supplying new products or services to Russia and planned infrastructure projects in the country are stopped. To ensure the ongoing provision of services that support humanitarian efforts as well as other governments in the region, including the work of national embassies, and safety related services, we continue to provide existing airtime services. Decisions in this matter have been made on security of critical and safety services in the region and not on financial grounds. The Group has limited exposure to revenue generation in both Russia and Ukraine, does not receive any income in Roubles and holds very limited amounts in Roubles. Revenue represents less than 2% of total revenue for 2021 and the current outstanding debtors balance is not material. No post balance sheet adjustments are therefore required.

Inmarsat Global Limited
Directors' Report
For the year ended 31 December 2021

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') issued by the Financial Reporting Council (FRC). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in FRS 101 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditor

Deloitte LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

The Company is not required to hold Annual General Meetings. Subject to the receipt of any objections as provided under Part 13, sections 281 to 361 of the Companies Act 2006, Deloitte are deemed re-appointed in accordance with section 485 Companies Act 2006.

By order of the Board

Alison Horrocks

Alison Horrocks
Company Secretary
30 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INMARSAT GLOBAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Inmarsat Global Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on the audit of the financial statements

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

Accounting for capital expenditure

- Obtaining an understanding of, and testing, relevant controls over the additions to AUC and the annual impairment review process;
- Discussing material capital projects within the year with the respective project managers in order to understand the nature of the costs capitalised, inquiring as to the reasons for any significant deviations from budget;
- Challenging management's assessment of the impact of Covid-19 on each project by inquiring with relevant project managers as to the ongoing progress of each project;
- Testing the integrity of AUC ageing reports and comparing the profile of capitalised expenditure during the period to previous periods, in order to identify projects that may be at risk of being abandoned.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
James Isherwood
19750BCA07604EA...

James Isherwood ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
30 September 2022

Inmarsat Global Limited
Income Statement
For the year ended 31 December 2021

($ in millions)	**Notes**	**2021**	**2020**
Revenue	4	**1,194.2**	**1,137.3**
Employee benefit costs	6	(173.2)	(158.4)
Network and satellite operations costs		(44.2)	(50.1)
Other net operating costs	5	(439.5)	(435.2)
Own work capitalised		25.2	34.4
Total net operating costs		(631.7)	(609.3)
EBITDA		**562.5**	**528.0**
Depreciation and amortisation	5	(290.7)	(333.9)
Impairment loss on fixed and intangible assets	5	-	(10.3)
Loss on disposals of assets		(0.2)	-
Gains on the impairment reversal	5	0.3	-
Operating profit		**271.9**	**183.8**
Financing income	7	192.1	158.6
Financing cost	7	(28.2)	(40.0)
Net financing income	7	**163.9**	**118.6**
Profit before income tax		**435.8**	**302.4**
Income tax expense	8	(190.6)	(84.0)
Profit for the year		**245.2**	**218.4**

Statement of Comprehensive Income
For the year ended 31 December 2021

($ in millions)	**Notes**	**2021**	**2020**
Profit for the year		**245.2**	**218.4**
Other comprehensive income			
Remeasurement of the defined benefit asset and post-employment benefits	24	(1.1)	(29.1)
Tax charged directly to equity	8	0.3	5.5
Other comprehensive loss for the year, net of tax		**(0.8)**	**(23.6)**
Total comprehensive income for the year, net of tax		**244.4**	**194.8**

The accompanying notes are an integral part of the financial statements.

All results relate to continuing operations.

Inmarsat Global Limited
Balance Sheet
As at 31 December 2021

($ in millions)	Notes	As at 31 December 2021	As at 31 December 2020
Assets			
Non-current assets			
Property, plant and equipment	11	2,711.5	2,668.5
Intangible assets	12	322.1	360.5
Investments	13	16.8	16.8
Other receivables	16	3,200.7	2,317.9
Right of use assets	14	21.0	28.3
		6,272.1	**5,392.0**
Current assets			
Cash and cash equivalents	15	346.1	233.5
Short-term deposits		30.0	688.1
Trade and other receivables	16	3,246.3	2,650.5
Inventories	17	11.8	14.8
		3,634.2	**3,586.9**
Total assets		**9,906.3**	**8,978.9**
Liabilities			
Current liabilities			
Borrowings	18	452.4	472.8
Trade and other payables	19	3,166.3	2,507.2
Provisions	20	4.0	8.1
Current income tax liabilities	21	148.1	153.8
Lease obligations	14	7.9	7.7
		3,778.7	**3,149.6**
Non-current liabilities			
Borrowings (non-current)	18	1,500.1	1,567.5
Other payables (non-current)	19	11.5	10.9
Provisions (non-current)	20	5.5	4.3
Deferred income tax liabilities	21	460.7	332.9
Lease obligations (non-current)	14	23.1	31.4
		2,000.9	**1,947.0**
Total liabilities		**5,779.6**	**5,096.6**
Net assets		**4,126.7**	**3,882.3**
Shareholders' equity			
Ordinary shares	22	760.6	760.6
Share premium		1,211.2	1,211.2
Other reserves		1.6	1.6
Retained earnings		2,153.3	1,908.9
Total shareholders' equity		**4,126.7**	**3,882.3**

The accompanying notes are an integral part of the financial statements.

The financial statements of Inmarsat Global Limited, registered number 3675885, were approved by the Board of Directors on 30 September 2022 and signed on its behalf by:

-

Tony Bates
Director

Inmarsat Global Limited
Statement of Changes in Equity
For the year ended 31 December 2021

($ in millions)	Ordinary share capital	Share premium	Capital contribution reserve	Revaluation reserve	Cash flow hedge reserve[2]	Retained earnings	Total
Balance at 31 January 2020	**760.6**	**1,211.2**	**1.60**	**0.1**	**(1.2)**	**1,714.1**	**3,686.4**
Profit for the period	-	-	-	-	-	218.4	**218.4**
Losses on cash flow hedges capitalised on tangible assets	-	-	-	-	1.1	-	**1.1**
Comprehensive Income:							
Other comprehensive (loss) before tax	-	-	-	-	-	(29.1)	**(29.1)**
Other comprehensive loss – tax	-	-	-	-	-	5.5	**5.5**
Balance at 31 December 2020	**760.6**	**1,211.2**	**1.6**	**0.1**	**(0.1)**	**1,908.9**	**3,882.3**
Profit for the period	-	-	-	-	-	245.2	**245.2**
Losses on cash flow hedges capitalised on tangible assets	-	-	-	-	0.1	(0.1)	**-**
Comprehensive Income:							
Other comprehensive (loss) before tax	-	-	-	-	-	(1.1)	**(1.1)**
Other comprehensive loss – tax	-	-	-	-	-	0.3	**0.3**
Balance at 31 December 2021	**760.6**	**1,211.2**	**1.6**	**0.1**	**-**	**2,153.2**	**4,126.7**

1 For IFRIC 23 adjustment, refer to note 2 for further details

2 Refer to note 23 for a reconciliation of this account.

Inmarsat Global Limited
Notes to the Financial Statements
For the year ended 31 December 2021

1. General Information
The principal activity of the Company is the supply of global mobile satellite communications services ('MSS'), providing data and voice connectivity to end-users worldwide. It is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and domiciled in England and Wales. The address of its registered office is 99 City Road, London, EC1Y 1AX.

The ultimate controlling party of the Company is Connect Topco Limited which is an entity based in Guernsey. The results of the Company are consolidated into Connect Topco Ltd (the 'Group'). The immediate parent company is Inmarsat New Ventures Limited ("INVL") based in the United Kingdom and registered in England and Wales.

The Group accounts of Connect Topco Ltd can be obtained from the Company's registered address, 99 City Road, London, EC1Y 1AX.

These financial statements reflect the activities of the Company, Inmarsat Global Limited (Qatar Branch) being the Company's branch office in Qatar, and Inmarsat Global Limited (Fucino Branch) being the Company's branch office in Italy.

2. Principal accounting policies
The principal accounting policies adapted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

Basis of preparation
The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced disclosure Framework' (FRS 101). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of IFRS. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. The financial statements have, therefore, been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, financial risk & capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions, share based payments and financial instruments. Where required, equivalent disclosures have been given in the Group accounts of Connect Topco Ltd.

In accordance with paragraph 4(a) of IFRS 10 and Section 400 of the Companies Act, the Company has elected not to prepare consolidated financial statements and has presented separate Company financial statements. Investments are held at cost less any impairments to date.

The financial statements have been prepared under the historical cost convention, modified for certain items carried at fair value, as stated in the accounting policies. A summary of the more significant accounting policies is set out below. These policies have been applied consistently for all the years presented unless otherwise stated.

Going Concern
In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors' have considered all the factors likely to affect its future development, performance and its financial position, including the matters disclosed in the Strategic and Directors' Report. The Company is part of the Connect Bidco Limited Group ('Bidco'), ultimately owned by Connect Topco Limited. The going concern review completed at the date of signing the Bidco accounts is set out within the Connect Bidco Limited 2021 annual report.

2. Principal accounting policies (continued)

In order to confirm that the Bidco business should adopt the going concern basis in preparing the consolidated financial statements for 2021, the Board and Management of Bidco have considered a number of possible scenarios and their impact on future revenues, EBITDA and liquidity. These scenarios consider the latest market information for each business unit and the impact of actions that have been and can be taken to improve financial performance. The evaluation uses the most recently approved budget and long-range business plan and considers the maturity profile of the existing debt facilities and the $USD700 million undrawn revolving credit facility as discussed in note 20 of Connect Bidco's annual report for 2021. Under all scenarios there continues to be sufficient headroom to the Financial Performance Covenant under the debt agreements. As at 31 December 2021, Bidco has $USD1,094.0m of liquid resources (Cash: $USD364.0m, short-term deposits: $USD30.0m, undrawn RCF: $USD700.0m) and a continued expectation that Bidco will generate positive free cash flow and reduce leverage over the medium to long term. The impact of Covid-19 is now confined to the aviation business unit where the aviation industry continues to recover and steady improvement has been shown throughout 2021. Inmarsat's robust business model and capital structure, along with strong positions in a diverse range of geographies and markets will help Inmarsat manage future Covid-19 related risks.

During 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately $7.3bn. Refer note 29 for further information on this transaction. The going concern assessment has been performed using the Inmarsat financial performance and position.

At the date of signing these financial statements the Directors have considered all the factors impacting the Company and Bidco's business, including downside sensitivities. This includes information pertaining to the potential operational and financial impacts of Covid-19 to the Company and Bidco. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Directors have a reasonable expectation that the Company will continue in operational existence for a period of at least twelve months from the date of approval of the financial statements and therefore the Company continues to adopt the going concern basis in preparing the 2021 financial statements.

Basis of accounting
The preparation of the financial statements in conformity with FRS 101 requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the Balance Sheet dates and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best estimate of the amounts, events or actions, the actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

New accounting policies
In the current financial period, the Company adopted the new or amended IFRS standards that are mandatory for application. Changes to the company's accounting policies have been made as required.

The adoption of these new or amended standards did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current financial period.

Foreign currency translation
The functional and presentation currency of the Company is the US dollar, as the majority of operational transactions are denominated in US dollars.

Foreign exchange gains and losses resulting from the settlement of transactions and the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the income statement line which most appropriately reflects the nature of the item or transactions.

Revenue
The Company applies the 5 step-model as required by IFRS 15 in recognising its revenues. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied.

2. Principal accounting policies (continued)

Mobile satellite communications service revenues result from utilisation charges that are recognised as revenue over the minimum contract period. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the products or services to be provided. Because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Deferred income attributable to mobile satellite communications services or subscription fees represents the unearned balances remaining from amounts received from customers pursuant to prepaid contracts.

The Company enters into minimum spend contracts with customers, known as 'take-or-pay' contracts, whereby customers agree to purchase a minimum value of mobile satellite communications services over a fixed period. Any unused portion of the prepaid contracts or the take-or-pay contracts ('breakage') that is deemed highly probable to occur by the expiry date is estimated at contract inception and recognised over the contract period in line with the pattern of actual usage of units by the customer.

Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime and subsequently recognised over time. Breakage from prepaid credit deferrals which is considered highly probable is estimated and recognised from contract inception. Mobile satellite communications service revenues from capacity sold are recognised on a straight-line basis over the term of the contract concerned, which is typically between one and 12 months, unless another systematic basis is deemed more appropriate.

Revenue from spectrum coordination agreements (such as Ligado Networks), is recognised at a point in time based on standalone selling prices.

Revenue from service contracts is recognised as the service is provided over time based on the contract period.

Revenue of terminals and other communication equipment sold are recognised at the point in time when control is transferred to the customer. Installation revenues relating to this are also recognised at a point in time. Revenue from installation of terminals and other communication equipment owned by Inmarsat and used in the delivery of the service to the customer is however recognised over the contract term.

The Company offers certain products and services as part of multiple deliverable arrangements. Consistent with all other contracts, the Company will assess whether the performance obligations are distinct by considering whether 1) the customer can benefit from good or service on its own; or together with other readily available resources 2) the good or service is distinct in the context of the contract. The transaction price is allocated to each performance obligation based on its stand-alone selling price relative to the total of all performance obligations' stand-alone selling prices under the contract.

The nature of the contracts within the Company may give rise to variable consideration. This is estimated as the most likely amount based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available and is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Where a contract contains a significant financing component, the Company adjusts the transaction price to a present value where the effect of discounting is deemed to be material. The Company has adopted the practical expedient whereby it is not required to adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of goods or services is expected to be one year or less. For contracts with an overall duration greater than one year, the practical expedient also applies if the period between performance and payment for that performance is one year or less.

A contract asset or a contract liability will arise when the performance of either party exceeds the performance of the other. Contract assets are rights to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time. Contract liabilities are obligations to transfer goods or services to a customer for which the entity has received consideration, or for which an amount of consideration is due to the customer. These are referred to as deferred income within the Company.

2. Principal accounting policies (continued)

Contract costs to obtain a contract and fulfil a contract are capitalised and amortised on a systematic basis, consistent with the pattern of transfer of the goods or services to which the capitalised cost relates. As a practical expedient, a cost to obtain contract with a customer will be immediately expensed if it has an amortisation period of one year or less.

Financing income and financing cost
Financing income comprises interest receivable on funds invested and the net interest on the net defined benefit asset and post-employment liability. Financing costs comprise interest payable on borrowings including bank overdraft, amortisation of deferred financing costs and the unwind of the discount on deferred satellite liabilities.

Financial assets
Trade and other receivables
Trade and other receivables, including prepaid and accrued income, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other receivables, including prepaid and accrued income are classified as financial assets at amortised cost under IFRS-9. The Company stratifies trade debtors based on internal credit ratings. The Company calculates the loss allowance for trade receivables and contract assets based on lifetime expected credit losses under the IFRS 9 simplified approach.

Cash and cash equivalents
Cash and cash equivalents, measured at fair value, comprise cash balances, deposits held on call with banks, money market funds and other short-term, highly liquid investments with maturities of three months or less. Cash and cash equivalents are classified as financial assets at fair value through profit and loss under IFRS-9. Bank overdrafts are shown as current liabilities within borrowings on the Balance Sheet.

Short term deposits
Short term deposits, measured at fair value, comprises deposits held with banks, money market funds and other short-term, highly liquid investments with an original maturity of four to twelve months

Financial liabilities and equity
Trade and other payables
Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings, comprising interest-bearing intercompany loans and bank overdrafts, are initially recognised at fair value which equates to the proceeds received, net of direct transaction and arrangement costs. They are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

Derivative financial instruments
In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading or speculative purposes. Derivatives are initially recognised at fair value on the date the contract is entered into and subsequently measured at fair value. The gain or loss on remeasurement is recognised in the income statement, except where the derivative is used to hedge against risks such as fluctuations in interest rates or foreign exchange rates. The accounting policy for hedging follows below.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement within financing costs.

Where there is a material contract with a foreign currency exposure, a specific hedge to match the specific risk will be evaluated. At present the Company only hedges certain foreign currency milestone payments to Airbus and Thales for the construction of the I-6 and GX-5 satellites.

2. Principal accounting policies (continued)

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised, or when a forecast sale occurs. When the hedged item is the future purchase of a non-financial asset or non-financial liability, the amount recognised as other comprehensive income is transferred to the initial carrying amount of the non-financial asset or liability.

Employee benefits
Wages, salaries, social security contributions, accumulating annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are performed by the employees of the Company.

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it has demonstrably committed to either terminate the employment of current employees or to provide termination benefits, as a result of an offer made to encourage voluntary redundancy.

The Company recognises liabilities relating to defined benefit pension plans and post-employment benefits in respect of employees. The Company's net obligations in respect of defined benefit pension plans and post-employment benefits are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The calculations are performed by qualified actuaries using the projected unit credit method.

All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are immediately recognised in the Statement of Comprehensive Income.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax
Deferred tax is provided on temporary differences arising between assets and liabilities' tax bases and their carrying amounts (the balance sheet method). Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary deductible differences or tax loss carry forwards can be utilised.

Deferred tax liabilities are provided on all taxable temporary differences except on those:

- arising from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.

- associated with investments in subsidiaries and associates, but only to the extent that the Company controls the timing of the reversal of the differences, and it is probable that the reversal will not occur in the foreseeable future.

2. Principal accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set them off, when they relate to income taxes levied by the same taxation authority and if the Company intends to settle its current tax assets and liabilities on a net basis.

Investment in subsidiaries
Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Research and development costs
Research expenditure is expensed when incurred. Development expenditure is expensed when incurred unless it meets criteria for capitalisation. Development costs are only capitalised once the technical feasibility and commercial viability of a business case has been demonstrated and they can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of expected future benefit. Amortisation is recorded in the Income Statement.

Property, plant and equipment
Space segment assets
Space segment assets comprise satellite construction, launch and other associated costs, including ground infrastructure. Expenditure charged to space segment projects includes invoiced progress payments, amounts accrued appropriate to the stage of completion of contract milestones, external consultancy costs and direct internal costs. Internal costs, comprising primarily staff costs, are only capitalised when they are directly attributable to the construction of an asset. Progress payments are determined on milestones achieved to date together with agreed cost escalation indices.

Deferred satellite payments represent the net present value of future payments dependent on the future performance of each satellite and are recognised in space segment assets when the satellite becomes operational. The associated liability is stated at its net present value and included within borrowings. These space segment assets are depreciated over the life of the satellites from the date they become operational and are placed into service.

Assets in the course of construction
These assets will be transferred to space segment assets and depreciated over the life of the satellites or services once they become operational and placed into service. No depreciation has yet been charged on these assets.

Capitalised borrowing costs
The Company incurs borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale and capitalises these borrowing costs as part of the cost of the asset. Capitalisation commences when the Company begins to incur the borrowing costs and related expenditures for the asset, and when it undertakes the activities that are necessary to prepare the asset for its intended use or sale. Capitalisation of borrowing costs ceases when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Other fixed assets
Other fixed assets are stated at historical cost less accumulated depreciation.

Depreciation
Depreciation is calculated to write-off the historical cost less residual values, if any, of fixed assets, except land, on a straight-line basis over the expected useful lives of the assets concerned. The Company selects its depreciation rates and residual values carefully and reviews them annually to take account of any changes in circumstances. When setting useful economic lives, the principal factors the Company takes into account are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used.

2. Principal accounting policies (continued)

Derecognition
A fixed asset is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the Income Statement.

Intangible assets
Intangible assets comprise patents, trademarks, software, terminal development and network access costs, spectrum rights, orbital slots and licences, customer relationships, unallocated launch slots and intellectual property.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is recognised in profit or loss in the period in which the expenditure is incurred. Development costs directly relating to the development of new services are capitalised as intangible assets once a business case has been demonstrated as to technical feasibility and commercial viability.

Intangible assets with a finite useful life are amortised on a straight-line basis over the life of the asset and the amortisation period and method are reviewed each financial year. Intangible assets with an indefinite useful life are reviewed annually for impairment.

Leases
Contracts which convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases by the Company. At the commencement date, the Company, as lessee, recognises a right of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease, unless such a rate is not readily determinable, in which case the incremental borrowing rate is used.

The right-of use asset comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Company. Lease term is determined as the non-cancellable period of a lease adjusted for any reasonably certain extension or termination option. After commencement date, the right-of use asset is depreciated on a straight-

line basis to the end of the lease term. The lease liability is accounted for by reducing the carrying amount to reflect the lease payments made, and increasing the carrying amount to reflect the interest on the lease liability.

Impairment reviews
All assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable and independent cash flows, these are known as cash generating units. An impairment loss is recognised in the Income Statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Principal accounting policies (continued)

Inventories

Inventories are stated at the lower of cost (determined by the weighted average cost method) and net realisable value. Allowances for obsolescence are recognised in other operating costs when there is objective evidence that inventory is obsolete.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Income Statement.

3. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Taxation

The calculation of the Company's uncertain tax provisions involves estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, or, as appropriate, through a formal legal process. Issues can, and often do, take a number of years to resolve. The amounts recognised or disclosed are derived from the Company's best estimation. However, the inherent uncertainty regarding the outcome of these means eventual realisation could differ from the accounting estimates and therefore impact the Company's results and cash flows.

In the event that all such enquiries were settled entirely in favour of the authorities, the Company would incur a cash tax outflow of $129m, excluding interest, during 2021. The quantum and timing of this cost remains uncertain but it is substantially provided for and the enquiries remain ongoing at this time. The largest provision held of $100m is in relation to a long running tax case concerning tax deductions for historic launch costs. The Company's 1999 claim for a tax deduction for satellite launch costs was heard at the Upper Tribunal which ruled in favour of HMRC in March 2021 on one point of legal interpretation. Inmarsat subsequently appealed directly to the Court of Appeal which was granted and a hearing set for June 2022.

The case was heard by the Court of Appeal on 21 and 22 June 2022. In July 2022, the judges issued their verdict, finding in favour of HMRC. We have applied for the case to be heard at the Supreme Court and we await the outcome.

As at 31 December 2021, the Company has provided fully for the potential cost of c.$125m, comprising tax ($100m) and interest ($25m).

3. Critical accounting estimates and key judgements (continued)

Critical judgements in applying the Company's accounting policies
In the process of applying the Company's accounting policies, the following judgements have been made, which have the most significant effect on the amounts recognised in the financial statements:

(b) Revenue in respect of the Ligado Networks

There have been no material developments regarding Ligado during 2021 and our collectability assessment of future receipts remains unchanged. A summary of Ligado, including the current outstanding balances, is provided below.

In December 2007, Inmarsat and Ligado Networks LLP (formerly LightSquared LP and LightSquared Inc.), and Ligado Networks (Canada) Inc. (formerly Skyterra (Canada) Inc.) entered into a 100 year Cooperation Agreement for the efficient use of L-band spectrum over North America. The Cooperation Agreement has been modified a number of times, and this has been assessed against IFRS-15 as to whether the modification is treated as a new contract or an amendment to an earlier contract. The most recent amendments were signed in 2020 (amendment 5 & 6) under which Ligado paid $700m. The amendments also reduced all future quarterly payments by 60% and deferred Q2 2020 to Q4 2022 quarterly payments as well as all previously deferred amounts to 1 January 2023, at which date a payment of $395m, including interest, falls due. Additionally there is a call option available until 15 October 2025 for Ligado to buy out all remaining lease payment obligations to 2107 for a cash payment ranging between $825m - $968m.

For the year ended 31 December 2021, the Company recognised $nil revenue or operating costs (year ended 31 December 2020: $33.3m and $nil respectively). Given the level of uncertainty around the collection of future monies, the Company ceased to apply the IFRS15 five step model from Q2 2020 to Amendments 5 & 6. Based on the continued level of uncertainty, no revenue has been recognised during 2021.

At 31 December 2021, deferred income of $906.5m (2020: $906.5m) was recorded on the balance sheet. $206.5m represents services not yet performed relating to issues including interference resolution for which payment has already been received from Ligado. $700m represents the upfront payment received pursuant to Amendment 5 & 6. At 31 December 2021 a receivable, net of bad debt, of $17.2m (2020: $17.2m) has been recorded on the balance sheet relating to the deferrals and an interest receivable, net of bad debt, of $3.9m (2020: $3.9m). A 51% impairment has been recognised in the prior year in order to comply with IFRS-9 and align with our conclusion that uncertainty remains around the collection of future monies. No adjustment to this provision was required in 2021. If Ligado failed to make remaining payments as they fall due, this default would release Inmarsat from its remaining obligations, which would trigger the recognition in the income statement of the remaining deferred income resulting in a net gain to the Company.

(c) Capitalisation of space segment assets and associated borrowing costs

The net book value of space segment assets is currently $1,407.7m (2020: $1,570.9m). There have been additions and transfers from assets in the course of construction of $5.0m in the year (2020: $182.2m). The key judgements involved in the capitalisation of space segment assets and associated borrowings costs are:

- Whether the capitalisation criteria of the underlying IAS have been met.
- Whether an asset is ready for use and as a result further capitalisation of costs should cease and depreciation should commence.
- Whether an asset is deemed to be substantially complete and as a result capitalisation of borrowing costs should cease.

4. Revenue

Revenue, which is stated net of value added tax, represents amounts received and receivable from the Company's continuing principal activity. During the year ended 31 December 2021, 95.1% (2020: 95.2%) of the Company's revenue was to markets outside the United Kingdom.

5. Profit before income tax

Costs are presented by the nature of the expense to the Company. Network and satellite operations costs comprise costs to third parties for network service contracts, operating lease rentals and services. A further breakdown of employee benefit costs is given in note 6.

Profit before income tax is stated after charging the following items:

($ in millions)	**Notes**	**2021**	**2020**
Depreciation of property, plant and equipment	11	197.2	252.2
Amortisation of intangible assets	12	86.3	74.2
Depreciation of right-of-use assets	14	7.3	7.4
Gains on the impairment reversal		(0.6)	-
Impairment[1]	11,12	0.3	10.3

1 In 2021 the $0.3m impairment expense relates to an intangible asset impairment. In 2020 the impairment relates to $8.2m and $2.7m of tangible and intangible asset impairments respectively, offset by a reversal of $0.6m.

($ in millions)	**2021**	**2020**
Cost of inventories recognised as an expense	24.3	25.5
Research costs expensed	10.1	2.5
Intercompany management charges	316.2	297.6
Professional Fees	37.0	26.2
Other operating costs	51.8	83.4
Total other net operating costs	**439.5**	**435.2**

The analysis of the Auditor's remuneration is as follows:

($ in millions)	**2021**	**2020**
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	0.1	0.1
Total audit fees	**0.1**	**0.1**
Fees payable to the Company's Auditor for other services to the		
- Other Services	-	-
Total other fees payable	**-**	**-**
Total Auditor's remuneration	**0.1**	**0.1**

6. Employee benefit costs

($ in millions)	2021	2020
Wages and salaries	143.1	134.0
Social security costs	17.1	14.9
Share options charge (including employers' National Insurance	3.9	1.0
Defined contribution pension plan costs	9.1	8.5
Total employee benefit costs	**173.2**	**158.4**

None of the Directors received any remuneration from the Company during the year (2020: nil).

Employee numbers

The average monthly number of people (including the Executive Directors) employed during the year by category of employment:	2021	2020
Operations	383	473
Sales and marketing	156	166
Development and engineering	151	145
Administration	214	236
Total	**903**	**1,020**

7. Financing income

($ in millions)	2021	2020
Intercompany interest payable	85.5	93.9
Other interest	9.3	9.7
Financing costs	**94.8**	**103.6**
Less: Amounts included in the cost of qualifying assets(a)	(66.6)	(63.6)
Total financing costs	**28.2**	**40.0**
Intercompany interest receivable	188.3	155.2
Bank interest receivable and other interest	2.0	3.4
Dividend Revenue from Group undertakings	1.8	-
Total financing income	**192.1**	**158.6**
Net financing income	**163.9**	**118.6**

(a) Borrowing costs included in the cost of qualifying assets during the year are calculated by applying a capitalisation rate to expenditure on such assets. The average interest capitalisation rate for the year was 6.5% (2020: 7.0%).

8. Taxation

Tax charge recognised in the Income Statement:

($ in millions)	2021	2020
Current tax:		
Current year	(38.9)	(39.0)
Adjustments in respect of prior periods	(23.8)	27.1
Total current tax charge	**(62.7)**	**(11.9)**
Deferred tax:		
Origination and reversal of temporary differences	(34.8)	(13.0)
Adjustments due to changes in corporation tax rates	(105.6)	(33.5)
Adjustments in respect of prior periods	12.5	(25.6)
Total deferred tax charge	**(127.9)**	**(72.1)**
Total income tax charge	**(190.6)**	**(84.0)**

($ in millions)	2021	2020
Profit before tax	**435.8**	**302.4**
Income tax at 19.0% (2020: 19.0%)	(82.8)	(57.5)
Differences in overseas tax rates	0.8	0.9
Adjustments in respect of prior periods	(11.3)	1.5
Adjustments due to changes in corporation tax rates	(105.7)	(32.0)
Impact of fixed asset disposals and impairments	0.1	(2.0)
Impact of UK patent box regime	5.8	6.3
Unrelieved foreign tax	-	(0.6)
Other non-deductible expenses / non-taxable income	2.5	(0.6)
Total income tax charge	**(190.6)**	**(84.0)**

Tax charged to equity:

($ in millions)	2021	2020
Deferred tax charge on share based payments	-	-
Total tax credited to equity	**-**	**-**

Tax charged to OCI:

($ in millions)	2021	2020
Deferred tax credit on actuarial gains and losses from pension and post- employment benefits	0.3	5.4
Total tax credited to equity	**0.3**	**5.4**

9. Net foreign exchange gains

($ in millions)	2021	2020
Other foreign exchange gains	0.5	0.3
Total foreign exchange gains	**0.5**	**0.3**

10. Dividends

The Company declared no dividends and paid no existing dividends payable during the year ended 31 December 2021 (2020: $nil).

11. Property, plant and equipment

($ in millions)	Services equipment, fixtures and fittings	Space segment	Assets in the course of construction	Total
Cost at 1 January 2021	**323.8**	**3,951.5**	**985.2**	**5,260.5**
Additions	3.0	7.8	257.9	**268.7**
Transfers from assets in the course of construction	2.8	5.0	(7.8)	**-**
Transfers	2.0	2.5	(33.0)	**(28.5)**
Impairment	-	-	-	**-**
Disposals	(5.9)	-	-	**(5.9)**
Cost at 31 December 2021	**325.7**	**3,966.8**	**1,202.3**	**5,494.8**
Accumulated depreciation at 1 January 2021	**(202.5)**	**(2,380.6)**	**(8.9)**	**(2,592.0)**
Charge for the year	(24.3)	(172.9)	-	**(197.2)**
Disposals	5.9	-	-	**5.9**
Impairment	-	-	-	**-**
Accumulated depreciation at 31 December 2021	**(220.9)**	**(2,553.5)**	**-8.9**	**(2,783.3)**
Net book amount at 31 December 2020	**121.3**	**1,570.9**	**976.3**	**2,668.5**
Net book amount at 31 December 2021	**104.8**	**1,413.3**	**1,193.4**	**2,711.5**

The lives assigned to significant tangible fixed assets are:

Space segment assets:

- Satellites	13–15 years
- Other space segment assets, including ground infrastructure	5–12 years
- Fixtures and fittings, and services-related equipment	3–15 years

12. Intangible Assets

($ in millions)	Terminal development and network access costs	Spectrum rights, orbital slots and licenses	Customer relationships	Software	Trademarks	Total
Cost:						
Cost at 1 January 2021	**241.7**	**100.9**	**13.6**	**456.8**	**0.1**	**813.1**
Additions	13.7	7.3	-	27.8	-	**48.8**
Disposals	(1.4)	-	-	(12.3)	-	**(13.7)**
Impairments	-	-	-	-	-	**-**
Transfers	-	-	-	(0.4)	-	**(0.4)**
Cost at 31 December 2021	**254.0**	**108.2**	**13.6**	**471.9**	**0.1**	**847.8**
Accumulated depreciation:						
Accumulated depreciation at 1 January 2021	**(197.4)**	**(40.8)**	**(13.6)**	**(200.9)**	**-**	**(452.6)**
Charge for the year	(19.7)	(6.2)	-	(60.4)	-	**(86.3)**
Disposals	1.4	-	-	12.1	-	**13.5**
Impairment losses	-	-	-	(0.3)	-	**(0.3)**
Accumulated depreciation at 31 December 2021	**(215.7)**	**(47.0)**	**(13.6)**	**(249.5)**	**-**	**(525.7)**
Net book amount at 31 December 2020	**44.3**	**60.1**	**-**	**255.9**	**0.1**	**360.5**
Net book amount at 31 December 2021	**38.3**	**61.2**	**-**	**222.4**	**0.1**	**322.1**

The Company capitalises costs associated with the development and enhancement of user terminals and associated network access costs as intangible assets and amortizes these over the estimated sales life of the related services, which range from five to ten years.

Other consists of orbital slots, licences, spectrum rights and unallocated launch slots. Orbital slots and licences relate to the Company's satellite programmes, and each individual asset is reviewed to determine whether it has a finite or indefinite useful life. Orbital slots are amortised over the useful life of the satellite occupying them. Amortisation of the GX programme finite life assets commenced when the Inmarsat-5 satellites went operational in December 2015. Unallocated launch slots are not amortised until allocated to a satellite asset where they are re-classed to Property, Plant and Equipment and depreciated in-line with Company policy discussed in note 2.

Customer relationships represent the consideration paid by the Company in relation to its appointment as the exclusive wholesaler of existing ACeS services. This has now been fully amortised.

Software includes the Company's billing system and other internally developed operational systems and purchased software, which are being amortised on a straight-line basis over its estimated useful life of three to eight years.
The Company capitalises costs associated with the development and enhancement of user terminals and associated network access costs as intangible assets and amortises these over the estimated sales life of the related services, which range from five to ten years.

13. Investments

($ in millions)	As at 31 December 2021	As at 31 December 2020
Investment in Inmarsat New Zealand Limited	16.8	16.8
Total investments	**16.8**	**16.8**

Refer to note 27 for a list of registered addresses of the Company's investments.

14. Leases

Right of use assets

The right of use assets for the Company's property and vehicle leases are presented in the table below.

($ in millions)	**2021**	**2020**
Net carrying amount:		
1 January	28.3	33.9
Changes in terms	-	1.8
Charge for the year	(7.3)	(7.4)
Total at 31 December	**21.0**	**28.3**

The Company does not hold options to purchase any leased assets for a nominal amount at the end of the lease term. The Company expenses short-term leases and low-value assets as incurred which is in accordance with the recognition exemption in IFRS 16.

Lease liabilities

Lease liabilities are calculated at the present value of the lease payments that are not paid at the commencement date. The company's lease liabilities as of 31 December 2021 comprise only the transition of existing contracts. The maturity of lease liabilities is shown on the balance sheet. No other lease liabilities are held.

The remaining lease term of the Company's property lease is 2.9 years. The maturity profile of the company's leases is shown in the table below.

($ in millions)	**2021**	**2020**
Within one year	7.9	7.7
Between two to five years	23.1	31.4
Greater than five years	-	-
Total at 31 December	**31.0**	**39.1**

For the year ended 31 December 2021, the discount rate applied to property leases was 3.4% (2020: 3.4%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The total cash flow relating to all lease obligations in 2021 was $9.0m (2020: $8.5m) with lease obligations denominated predominantly in Sterling. Total lease interest paid was $1.2m (2020: $1.4m). The Company does not face a significant liquidity risk with regard to its lease liabilities. The Company’s obligations are secured by the lessors’ title to the leased assets for such leases.

15. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet. At 31 December 2021, the Group has $30m of cash held in short-term deposits with an original maturity of between four to twelve months (2020: $688.1m).

($ in millions)	**As at 31 December 2021**	**As at 31 December 2020**
Cash at bank and in hand	346.1	233.5
Cash and cash equivalents	**346.1**	**233.5**

16. Trade and other receivables

($ in millions)	As at 31 December 2021	As at 31 December 2020
Current:		
Trade receivables	111.7	134.9
Other receivables	9.1	14.6
Amounts due from Group undertakings	3,074.6	2,464.3
Prepayments and accrued income	50.9	36.7
	3,246.3	**2,650.5**

($ in millions)	Effective Interest %	As at 31 December 2021	As at 31 December 2020
Non-current:			
Loans due from Group undertakings	3m USD Libor	3,200.7	2,314.4
Pension surplus		-	3.5
		3,200.7	**2,317.9**

The Directors consider the carrying value of trade and other receivables to approximate to their fair value. Amounts due from Group undertakings are all repayable on demand.

17. Inventories

($ in millions)	As at 31 December 2021	As at 31 December 2020
Finished goods	11.8	14.8
Total inventories	**11.8**	**14.8**

18. Borrowings

($ in millions)	Effective Interest %	As at 31 December 2021	As at 31 December 2020
Current:			
Borrowings from Group undertakings	1.9%	452.4	472.8
Total current borrowings		**452.4**	**472.8**
Non-Current:			
Borrowings from Group undertakings	Libor +3.7%	1,500.1	1,567.5
Total non-current borrowings		**1,500.1**	**1,567.5**
Total borrowings		**1,952.5**	**2,040.3**

The maturity of non-current borrowings is as follows:

($ in millions)	As at 31 December 2021	As at 31 December 2020
Within one year	452.4	472.8
Between two and five years	-	-
Greater than five years	1,500.1	1,567.5
	1,952.5	**2,040.3**

The borrowings which fall due after five years are due December 2026 and incurring interest Libor+3.7%. The Directors consider the carrying value of borrowings to approximate to their fair value.

19. Trade and other payables

($ in millions)	As at 31 December 2021	As at 31 December 2020
Current:		
Trade payables	41.3	44.1
Other taxation and social security payables	3.3	3.6
Other creditors	9.4	29.5
Amounts due to Group undertakings	2,043.5	1,401.0
Accruals and deferred income	1,068.8	1,029.0
	3,166.3	**2,507.2**
Non-current:		
Defined benefit pension and post employment liability	11.5	10.9
	11.5	**10.9**

The Directors consider the carrying value of trade and other payables to approximate to their fair value.

20. Provisions

($ in millions)	Restructuring	Contract Obligation	Deferred salary	Total
As at 31 December 2020	**4.2**	**7.8**	**0.5**	**12.5**
Charged in respect of current year	3.4	3.1	-	6.5
Utilised in current year	(6.1)	(1.3)	-	(7.4)
Reversal in the year	-	(2.2)	-	(2.2)
As at 31 December 2021	**1.5**	**7.4**	**0.5**	**9.5**
Non-current	-	5.0	0.5	5.5
Current	1.5	2.4	-	4.0
As at 31 December 2021	**1.5**	**7.4**	**0.5**	**9.5**

A. Restructuring

The restructuring provision relates to an organisational development review which began in 2020, in response to the Covid-19 pandemic. As part of that review, a number of roles came under consultation, ultimately resulting in employee's exiting the business. The provision is calculated based on the estimated costs from the terms of relevant employee contracts. The remaining provision is expected to be utilised within 1 year.

B. Contract Obligation

Contract obligation provisions relate to various contracts within the Aviation business unit, which are expected to result in an outflow of economic benefit as a result of the contract terms. The provisions are calculated using various best estimate methods including weighted probability of a range of potential outcome. The costs do not include future operating costs.

C. Deferred Salaries

Deferred salary payments is a regulatory provision in Italy that is paid upon the termination of the employment relationship. The provision is calculated based on the estimated costs based on the terms of the relevant contracts and the number of years worked.

21. Current and deferred income tax assets and liabilities

The current income tax liability of $148.1m (2020: $153.8m) represents the income tax payable in respect of current and prior periods less amounts paid.

Recognised deferred income tax assets and liabilities

The movements in deferred income tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below.

	As at 31 December 2021			As at 31 December 2020		
($ in millions)	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property, plant and equipment and intangible	-	391.8	391.8	-	289.6	289.6
Borrowing costs capitalised in the cost of qualifying assets	-	73.2	73.2	-	46.2	46.2
Other	(1.1)	-	(1.1)	(0.8)	-	(0.8)
Pension and post employment benefits	(3.2)	-	(3.2)	-	(2.1)	(2.1)
Net deferred income tax liabilities	**(4.3)**	**465.0**	**460.7**	**(0.8)**	**333.7**	**332.9**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The value of deferred income tax assets and liabilities included in the net deferred income tax balance is shown below:

($ in millions)	**2021**	**2020**
Deferred tax asset	(4.3)	(0.8)
Deferred tax liability	465.0	333.7
	460.7	**332.9**

Movement in temporary differences during the year:

($ in millions)	**As at 1 January 2021**	**Recognised in income statement**	**Recognised in OCI/equity**	**As at 31 December 2021**
Property, plant and equipment and intangible assets	289.6	102.2	-	391.8
Borrowing costs capitalised in the cost of qualifying assets	46.2	27.0	-	73.2
Other	(0.8)	(0.3)	-	(1.1)
Pension and post employment benefits	(2.1)	(0.8)	(0.3)	(3.2)
Total	**332.9**	**128.1**	**(0.3)**	**460.7**

($ in millions)	**As at 1 January 2020**	**Recognised in income statement**	**Recognised in OCI/equity**	**As at 31 December 2020**
Property, plant and equipment and intangible assets	225.3	64.3	-	289.6
Borrowing costs capitalised in the cost of qualifying assets	37.3	8.9	-	46.2
Other	(0.2)	(0.6)	-	(0.8)
Pension and post employment benefits	3.5	(0.2)	(5.4)	(2.1)
Total	**265.9**	**72.4**	**(5.4)**	**332.9**

The Budget announced by the Chancellor on 3 March 2021, included changes to the main rate of corporation tax for UK companies. The standard rate of corporation tax remains at 19% for the financial year commencing 1 April 2021, however this will be increased to 25% from 1 April 2023. UK deferred tax has been recognised in the accounts at a rate of 25% on the basis that this is the substantively enacted rate at 31 December 2021. However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate has not been substantively enacted at the balance sheet date, and as the result the deferred tax balances as at 31 December 2021 continue to be measured at the hybrid rate noted above. The estimated impact of the reversal of the corporation tax rate increase would be to reduce the deferred tax balance liability by $105.0m.

22. Ordinary share capital

($ in millions)	As at 31 December 2021	As at 31 December 2020
Allotted, issued and fully paid:		
473,935,801 ordinary shares of £1 each (2020: 473,935,801)	760.6	760.6

During the year ended 31 December 2021 no new shares were issued by the Company (2020: no new shares were issued).

23. Reserves

Cash flow hedge reserve:

($ in millions)	2021	2020
Balance as at 1 January	(0.1)	(1.2)
Gain/(loss) recognised on cash flow hedges:		
Forward exchange contracts	0.1	-
Reclassified to the Income Statement Forward exchange		
Forward exchange contracts	-	1.1
Balance as at 31 December	**-**	**(0.1)**

There are no gains and losses reclassified from equity included within the income statement for the period ended 31 December 2021 (2020: nil). Gains and losses relating to the effective portion of cash flow hedges are recognised in other comprehensive income and accumulated in the cash flow hedge reserve. When a hedged item is recognised in the income statement the cumulative deferred gain or loss accumulated in other comprehensive income and the cash flow hedge reserve is reclassified to the income statement. When a hedged item is recognised as a non financial asset or liability in the balance sheet the accumulated gain or loss is removed from the cash flow hedge reserve and included directly in the initial cost of the assets or liability.

24. Pension arrangements and post-employment benefits

The Company operates pension schemes in each of its principal locations. The Company's pension plans are provided through both defined benefit schemes and defined contribution arrangements.

The Company operates defined benefit pension schemes in the United Kingdom, regulated by the Pensions Regulator. The Company's principal defined benefit pension plan was the Inmarsat Global scheme, which was a UK funded scheme with assets held in a separate fund administered by a corporate trustee; the scheme is closed to new employees and the Company closed the defined benefit plan to future accruals during 2017. The trustee is required by law to act in the interest of the fund and of all relevant stakeholders in the scheme.

During October 2020, the Trustees of the UK pension plan entered into a bulk annuity insurance contract with Aviva Life & Pension UK Limited (Aviva), a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority in respect of the liabilities of the Inmarsat Global defined benefits scheme. This is known as a 'buy-in'. Under this policy Aviva undertakes, via the Plan, to pay the Plan's benefit obligations as they fall due. The insurer has paid cash into the scheme matching the benefits due to members. The Trustees retain the legal obligation for the benefits provided under the scheme. As the buy-in policy is a qualifying insurance asset, the fair value of the insurance policy is deemed to be the present value of the obligations that have been insured. The policy secured exactly matches the benefits due to scheme members under the scheme's Trust Deed and Rules, and the asset has therefore been set equal to the liabilities covered. Therefore, any future change in the valuation of the liabilities are matched by a corresponding movement in the valuation of the insurance asset. The buy-in has resulted in a re-measurement of the scheme's assets, with an actuarial loss recognised in the Company's Statement of Comprehensive Income. As at 31 December 2020, following the buy-in, there is a net defined benefit asset of $3.5m on the Balance Sheet reflecting the remaining assets held by the scheme. The value of this asset is nil at 31 December 2021 as it was used to fund defined contribution obligations under the scheme. A buy-out, whereby the legal obligation for the benefits provided under the scheme shift to the insurer, has not yet occurred but is expected during 2022.

24. Pension arrangements and post-employment benefits (continued)

Given the Company still hold the liability obligations under the Inmarsat Global defined benefit plan, this plan has been valued using the projected unit credit method with the valuation undertaken by professionally qualified and independent actuaries as at 31 December 2021. The results of the valuation, which have been updated for any material transactions and material changes in circumstances (including changes in market prices and interest rates) up to 31 December 2021, are set out below. There are no guaranteed minimum pension ('GMP') benefits held under the scheme.

The Plan's investment in a bulk annuity policy represents a concentration risk with the annuity provider not making the required payments. The policy in place is governed by substantial insurance market solvency regulations and the Trustee has further mitigated this credit risk through careful choice of provider and contract terms. The Trustee recognises that the investment in the bulk annuity contract is illiquid. Additionally, the Plan is exposed to operation risk in relation to the buy-in with the insurance company, as it is the insurer that is taking on the majority of risks in relation to the Plan's defined benefit liabilities.

There have been no plan amendments, curtailments or settlements since the previous year end that we have been made aware of. The plan closed to future DB accrual with effect from 1 April 2017.

The Company also provides post-employment benefits for some of its employees. The Company's principal scheme is the Inmarsat Global post-retirement healthcare benefit scheme, which is the provision of healthcare to retired employees (and their dependants) who were employed before 1 January 1998. Employees who have 10 years of service at the age of 58 and retire are eligible to participate in the post-retirement healthcare benefit plans. Membership of this plan is multinational, although most staff are currently employed in the UK. The plans are self-funded and there are no plan assets from which the costs are paid. The cost of providing these benefits is actuarially determined and accrued over the service period of the active employee groups. The Company's post-retirement medical liability includes a £100 excess, required since January 2020.

There have been no pension plan amendments, curtailments or settlements since the previous year end that we have been made aware of, other than the buy-in disclosure above. Schemes denominated in local currencies are subject to fluctuations in the exchange rate between US Dollars and local currencies.

The principal actuarial assumptions used to calculate the Company's pension and post-employment benefits liabilities under IAS 19 are:

	As at 31 December 2021	**As at 31 December 2020**
Weighted average actuarial assumptions:		
Discount rate	1.8%	1.5%
Future salary increases	5.2%	7.0%
Medical price inflation	3.3%	2.9%
Future pension increases	3.3%	2.9%

Mortality assumptions have been updated to reflect experience and expected changes in life expectancy. The average life expectancy assumptions for the Company's pension and post-employment benefits liabilities are as follows:

	Life expectancy 2021	**Life expectancy 2020**
Male current age 65	88.4	88.3
Female current age 65	89.6	89.4

Mortality assumptions used are consistent with those recommended by the individual scheme actuaries and reflect the latest available tables, adjusted for the experience of the Company where appropriate. For the Inmarsat Global defined benefit pension scheme and the Inmarsat Global post-retirement healthcare benefits for 2021, mortality has been assumed to follow the S2PA tables with -1 year age rating for males and CMI 2017 improvement with a long-term trend of 1.75% pa.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, mortality and healthcare cost trend rates. The sensitivity analysis below is for the Company's principal pension and post-employment benefits schemes, and has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant.

24. Pension arrangements and post-employment benefits (continued)

Inmarsat Global defined benefit scheme:

Change in assumption ($ in millions)	**Impact on benefit obligation increase/ (decrease)**	**Impact on projected pension cost increase/ (decrease)**
Increase in discount factor of 0.25%	(6.4)	-
Decrease in discount factor of 0.25%	6.9	-
Increase in inflation of 0.25%	7.1	-
Decrease in inflation of 0.25%	(6.7)	-
Mortality: -1 year	4.6	-

Inmarsat Global post-retirement healthcare benefit scheme:

Change in assumption ($ in millions)	**Impact on benefit obligation increase/ (decrease)**	**Impact on service cost increase/ (decrease)**
Increase in discount factor of 0.5%	(1.2)	-
Increase in inflation of 0.5%	1.3	-
Increase in medical price inflation trend rate of 1%	2.8	0.1
Decrease in medical price inflation trend rate of 1%	(2.2)	(0.1)

In reality, there is an expectation of inter-relationships between the assumptions, for example, between discount rate and inflation. The above analysis does not take the effect of these inter-relationships into account.

Amounts recognised in the balance sheet are:

($ in millions)	**At 31 December 2021**	**At 31 December 2020**
Present value of funded defined benefit obligations (pension)	(124.1)	(122.8)
Present value of unfunded defined benefit obligations (post-employment benefits)	(11.5)	(10.9)
Fair value of defined benefit assets	124.1	126.3
Net defined benefit (liability) / asset recognised in the balance sheet	**(11.5)**	**(7.4)**

The above net (liability) / asset is recognised in the balance sheet as follows:

($ in millions)	**Notes**	**At 31 December 2021**	**At 31 December 2020**
Defined benefit pension asset	16	-	3.5
Defined benefit pension and post-employment liability	19	(11.5)	(10.9)

24. Pension arrangements and post-employment benefits (continued)

Analysis of the movement in the present value of the defined benefit obligations is as follows:

($ in millions)	Defined benefit pension plan	Post-employment benefits
At 1 January 2020	**100.5**	**8.7**
Current service cost	-	0.1
Past service cost	-	-
Interest cost	2.0	0.2
Remeasurement gains:		
Actuarial gains arising from changes in financial assumptions	18.5	0.8
Change in experience assumptions	-	1.0
Foreign exchange gain	3.3	0.3
Benefits paid	(1.5)	(0.2)
Contributions by pension participants	-	-
At 31 December 2020	**122.8**	**10.9**
Current service cost	-	0.1
Past service cost	-	-
Interest cost	1.8	0.2
Remeasurement gains:		
Actuarial gains arising from changes in financial assumptions	3.0	0.2
Change in in demographic assumptions	-	0.6
Foreign exchange gain	(1.4)	(0.2)
Benefits paid	(2.1)	(0.3)
Contributions by pension participants	-	-
At 31 December 2021	**124.1**	**11.5**

Analysis of the movement in the fair value of the assets of the defined benefit pension plans is as follows:

($ in millions)	2021	2020
At 1 January	**126.3**	**130.1**
Interest income	1.9	2.6
Remeasurement (losses) / gains:		
Experience return on plan asset (excluding interest income)	2.6	(8.8)
Contributions by employer	(2.6)	-
Contributions by pension participants	-	-
Benefits paid	(2.1)	(1.6)
Expenses paid (included in service cost)	(0.6)	(0.4)
Foreign exchange (loss) / gain	(1.4)	4.4
At 31 December	**124.1**	**126.3**

Amounts recognised in the income statement in respect of the plans are as follows:

	2021		2020	
($ in millions)	Defined benefit pension plan	Post-employment benefits	Defined benefit pension plan	Post-employment benefits
Current service cost	0.6	0.1	0.4	0.1
Past service gain	-	-	-	-
Net interest (income) / expense	(0.1)	0.2	(0.6)	0.2
Foreign exchange (gain) / loss	-	(0.2)	(1.2)	0.3
	0.5	**0.1**	**(1.4)**	**0.6**

24. Pension arrangements and post-employment benefits (continued)

Current service cost is included within employee benefit costs (note 6). The financing costs together with foreign exchange gains and losses are included within interest payable (note 7).

Amounts recognised in the statement of comprehensive income in respect of the plans are as follows:

	2021		2020	
($ in millions)	**Defined benefit pension plan**	**Post-employment benefits**	**Defined benefit pension plan**	**Post-employment benefits**
Actuarial gains arising from changes in financial assumptions	3.0	0.2	18.5	0.8
Return on plan asset (excluding interest income)	(2.6)	-	8.8	-
Actuarial gain arising from changes in experience adjustment	-	0.6	-	1.0
Re-measurement of the net defined benefit asset and liability	**0.4**	**0.8**	**27.3**	**1.8**

The assets held in respect of the company's defined benefit schemes were as follows:

	At 31 December 2021		At 31 December 2020	
	Value ($ in millions)	**Percentage of total plan assets**	**Value ($ in millions)**	**Percentage of total plan assets**
Cash	-	0.0%	1.6	1.3%
Assets held by insurance company	124.1	100.0%	122.8	0.97
Other	-	0.0%	1.9	1.5%
Fair value of scheme assets	**124.1**	**100.0%**	**126.3**	**100.0%**

The Plan's main asset is the buy-in policy with Aviva, the value of which has been set equal to the corresponding value of the IAS19 liabilities it covers. The remaining assets retained by the Trustees are used to fund expenses and defined contribution payments under the scheme.

The duration of the defined benefit liabilities within the Inmarsat Global defined benefit plan is approximately 25 years. The defined benefit obligation as at December 2021 is split as follows:

Active members	N/A
Deferred members	83%
Pensioner members	17%

The average age of the deferred and pensioner members at the date of the last statutory funding valuation for the Inmarsat Global defined benefit plan (31 December 2017) was 56 years and 69 years, respectively.

The estimated contributions expected to be paid into the Inmarsat Global defined benefit pension plan during 2022 are $nil. In 2021 actual contributions under this plan were $2.6m (2020: $nil).

25. Capital risk management

The following table summarises the capital of the Company:

($ in millions)	As at 31 December 2021	As at 31 December 2020
As per Balance Sheet		
Cash and cash equivalents	(346.1)	(233.5)
Short-term deposits greater than three months at inception	(30.0)	(688.1)
Borrowings	1,952.5	2,040.3
Net debt	**1,576.4**	**1,118.7**
Shareholder's equity	4,126.7	3,882.2
Capital	**5,703.1**	**5,000.9**

The Company's objective when managing its capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company continually evaluates sources of capital and may repurchase, refinance, exchange or retire current or future borrowings and/or debt securities from time to time in private or open market transactions, or by any other means permitted by the terms and conditions of borrowing facilities and debt securities.

No changes were made in the Company's objectives, policies or processes for managing capital in the years ended 31 December 2021 and 2020.

26. Capital commitments

The Company had authorised and contracted but not provided for capital commitments as at 31 December 2021 of $465.8m (2020: $531.6m). These amounts primarily represent commitments in respect of the Company's I6 satellites and other future satellite projects. The Company has not reported the split between tangible and intangible assets for these capital commitments in line with prior periods.

27. Subsidiary undertakings

At 31 December 2021, the Company had investments in the following subsidiaries:

($ Millions)	Principal activity	Country of incorporation and operation	Interest in issued ordinary share capital	As at 31 December 2021
Inmarsat Leasing (Two) Limited	Satellite leasing	England and Wales/A	100%	-
Inmarsat New Zealand Limited	Operating company	New Zealand/B	64%	16.8
Inmarsat Brazil Eireli	Dormant	Brazil/C	100%	-
ISAT Global Xpress LLC	Operating company	Russia/D	0%	-
Flysurfer Ecuador S.A.	Operating company	Ecuador/E	0%	-
Inmarsat Satellite Services S.R.L	Operating company	Romania/F	0%	-
Total Investments				**16.8**

28. Contingent assets and liabilities

In the ordinary course of business, the Company is subject to contingencies pursuant to requirements that it complies with relevant laws, regulations and standards failure to comply could result in restrictions in operations, damages, fines, increased tax , increased cost of compliance, interest charges, reputational damage and other sanctions. These matters are inherently difficult to quantify.

In cases where the Company has an obligation as a result of a past event existing at the balance sheet date, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated, a provision will be recognised based on best estimates and management judgement.

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. At 31 December 2021, the Company had no material contingent liabilities.

29. Events after the balance sheet date

Viasat acquisition

On November 8, 2021, Viasat Inc and the ultimate parent entity of the Company ("Inmarsat") announced a definitive agreement under which Viasat will acquire Inmarsat in a transaction valued at around $7.3 billion, comprised of c.$850.0 million in cash, approximately 46.36 million shares of Viasat common stock valued at $3.1 billion based on the closing price on Friday November 5, 2021, and the assumption of $3.4 billion of net debt. The agreement has been approved by both the Inmarsat and Viasat Board of Director's, including support provided by The Baupost Group, L.L.C., Viasat's largest shareholder.

The Viasat shareholders approved the transaction in July 2022. We continue to work towards a goal of closing by the end of 2022, assuming all regulatory approvals are obtained.

Distribution to Group shareholders

During April 2022, Inmarsat Group remitted $299m to its shareholders reflecting strong business performance and cash generation. As a result, and in accordance with the Share Purchase Agreement ("SPA") with Viasat, the cash element of the consideration will be reduced by $299m to $551m. As part of this group distribution, the Company, advanced $299m to Connect Midco Limited as part of the existing loan facility and will be a material asset for the Company in 2022.

Taxation

The Company's Launch Costs case was heard by the Court of Appeal on 21 and 22 June 2022. In July, the judges issued their verdict, finding in favour of HMRC. We have applied for the case to be heard at the Supreme Court and we await the outcome. The Company has provided fully for the potential cost of c. $126m, comprising tax (c.$100m) and interest (c.$26m).

Russia and Ukraine

The current international geopolitical context and the war in Ukraine may impact the global economy and market environment. As of the date of approval of these annual accounts, the management of the Company is actively monitoring the consequences of these events on valuation and performance of the financial assets. However, it is too early to assess all the potential economic and financial impacts that may significantly affect the Company in the future.

There have been no other significant events which would require disclosure in the 31 December 2021 financial statements.